



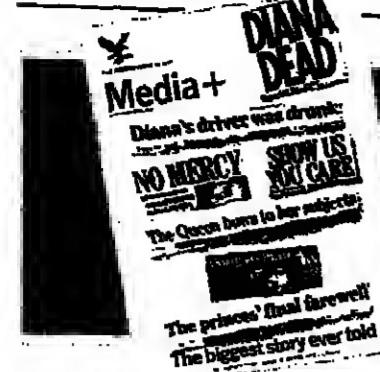
THE INDEPENDENT

No 3,396

MONDAY 8 SEPTEMBER 1997

WEATHER: Cool and showery

(IR 45p) 40p



MEDIA +

DIANA'S DEATH:
REPORTING OR
DISTORTING?

THE INTERVIEW

GIFTWRAPPED:
SARAH
BRIGHTMAN

24-PAGE SPORT PULL-OUT

COULTHARD WINS
ITALIAN
GRAND PRIX

MPs back Earl's call to liberate Princes

Steve Bogden
Fran Abrams
and Jojo Moyes

Criticism of the Royal Family continued among mourners at Kensington Palace yesterday as politicians and the public backed Earl Spencer's insistence that Princes William and Harry should not be brought up solely by the Windsors.

On a day when Paddy Ashdown, leader of the Liberal Democrats, agreed that the population was behaving more like citizens than subjects, there was a growing feeling that the boys had become the People's Princes.

Tony Blair kept a long-standing appointment for lunch with the Queen at Balmoral which was followed by an audience during which they were certain to have discussed the role of the monarchy into the millennium.

Earlier the Prime Minister ruled out a privacy law, but called on newspaper editors to exercise more restraint in their pursuit of celebrities. He described criticism of the royals as "unfair".

The long-term implications of Earl Spencer's devastating attack on the Royal Family from the pulpit of Westminster Abbey on Saturday were still being assessed yesterday, but there was widespread support for his words.

During the tribute to his sister, Diana, Princess of Wales, he said: "We will not allow [the princes] to suffer the anguish that used regularly to drive you to tears of despair."

"And beyond that, on behalf of your mother and sisters, I pledge that we, your blood family, will do all we can to continue the imaginative way in which you were steering these two exceptional young men, so that their souls are not simply immersed by duty and tradition but can sing openly, as you planned."

As he delivered his attack, promising to encourage the boys in their royal role while giving them "experience of as many different aspects of life as possible", the Queen was sitting only yards away. The number of people who witnessed the rebuke on television was put at 2.5 billion.

The spread of applause from outside the Abbey to the mourners inside after he delivered his attack was described by Mr Ashdown yesterday as "an extraordinarily symbolic moment".

Speaking on BBC Radio 4's *The World This Weekend*, he said: "I think there is a sense in which the terms of the relationship between government and the gov-

ernment has altered in the last week." Asked whether he felt that people were behaving like citizens rather than subjects, he replied: "I think that's accurate ... There is perhaps a new self-confidence about people expressing a view which is heard and responded to. And something deeper than that, I think they are telling us what kind of society they want."

"They want a compassionate society, a fairer society, a more decent society, a more just society. The reason why Diana touched the hearts of so many in Britain was because she expressed an equality about society that I think they believe their leaders ought to be able to deliver more effectively."

Labour and Tory MPs agreed that the style of Diana's parenting should be continued by the Spencer side of the family.

"I totally approve of what Earl Spencer said," said Andrew Mackinlay, Labour MP for Thurrock. "It would serve to maintain the breath of fresh air which the Princess brought to the monarchy. It would help to blow away the cobwebs."

Michael Fabricant, Conservative MP for Lichfield, said: "It would be a shame if the influence of the Spencer family were lost."

This is not only important for Princes William and Harry, but such an influence from outside this would have the consequence of making the monarchy more attractive to the population at large and will safeguard it for the next century."

At Kensington Palace, Diana's former home, tributes and flowers continued to be laid. Many of those who came to praise her, however, were critical of the Windsors.

Harry Holroyd, 36, from Leicester, said: "The only hope of saving the monarchy is to protect these boys from that dysfunctional family. People saw Diana's approach as the way forward for the royals and if they are one tenth as sensitive and caring as she was, then they will be much more in touch with the feelings of the people."

Michelle Ellis, a hairdresser from Birmingham, said: "There was amazing support for Diana's brother after his speech. The quarry dead, let us find gentler pursuits. This newspaper has never been excited about utilitarian and intrusive pictures of the famous, nor has it been devoted to covering the royal family simply because it is there; abstinence may therefore be easy for us. We do not apologise for giving the story saturation coverage last week, because what happened on the streets of London after the accident was a huge happening. But from here on in, this paper has had enough."

We will never publish pictures of the young princes William and Harry in private situations again. On state occasions maybe, or on matters of constitutional significance, but even then we will be sparing. That will sometimes mean that pictures of royal organisation by Buckingham Palace, which the royal family are keen to see published, will not be in the Independent. But we have no more wish to be publicity agents for the monarchy than to be incessant voyeurists of it. A story is over. Let the sequel be written in another way.

After the event, pages 3, 4

Greer gave to Labour
Ian Greer, the Westminster lobbyist at the centre of the Tory cash for questions scandal, was a big financial donor to the Labour party, according to a new report. Page 5

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Gordon Brown, the Chancellor, and the actor Sean Connery, travelling on the river Forth to Rosyth, Fife, yesterday, to announce the increase in employment at the former naval base

Photograph: David Moir/Newsflash

Tax threat to home rule vote

Stephen Goodwin,
Fran Abrams and
Anthony Bevin

With less than 72 hours to go before Scots take their momentous decision on home rule, Tony Blair will today try to head off the nightmare possibility of a parliament neutered of tax-raising powers.

"A serious parliament should be given serious powers," the Prime Minister will say on the campaign trail in Scotland.

In the course of a hectic campaigning in Edinburgh and Glasgow he will also repeat Labour's election pledge that it will not raise income tax in the next five years.

Taxation remains the Achilles heel of Thursday's referendum. Although opinion polls show slightly more people in favour of giving the parliament the power to vary income tax than against it, the Tory-dominated

"No" campaign will try to sway voters by asking how they feel about paying more tax than the English.

While an NOP poll for the Scottish *Sunday Times* showed 51 per cent prepared to vote for

tax-raising powers, an ICM poll for *Scotland on Sunday* showed just 45 per cent in favour. A 3-1 majority were in favour of a Scottish parliament, the first of the two referendum questions.

With William Hague the Conservative party leader due in Scotland tomorrow, Mr Blair will also reject the Tory claim that devolution will lead to the break up of the United Kingdom. The Government's plans are about "stability not separation", he will say.

Mr Blair will try to present the parliament as "business-friendly", countering the fears of Edinburgh financial institutions and members of the CBI in Scotland that different rates and possible changes in business rates will hit investment and force firms to relocate south of the border.

Last night the Chancellor, the Scottish secretary and the defence secretary were all in Scotland pushing for a convincing "yes" vote in Thursday's referendum.

Gordon Brown insisted that business was demonstrating its confidence in the future of Scotland with a devolved Par-

liament by continuing to make major investments.

The Tory constitutional affairs spokesman Michael Ancram warned that the Labour Government would have to ask "serious questions" if turn-out was low in Thursday's referendum north of the border.

There was also opposition to the proposals from Tam Dalyell, the Labour MP for Linlithgow and a long-time opponent of devolution. He warned that a "yes, yes" vote would drive talent south of the border and would mean that some companies might decide to relocate to England.

Meanwhile, the silent English majority was yesterday warned that it is paying a cash penalty for being without a regional power-base.

Richard Caborn, minister for the regions, said the eventual creation of English regional assemblies would help them catch up.

Scotland and Wales have caught up with the average European income since Labour set up the Scottish and Welsh development agencies 22 years ago. But most of the English re-

gions remain well below that level, with Cornwall, Merseyside and South Yorkshire running far behind.

If Labour won the next election, that would be followed by referendums for directly elected English regional assemblies along the lines of the one currently proposed for Wales.

Mr Caborn told *The Independent* that greater regional autonomy would be beneficial: "If your car is only firing ful-

ly off two cylinders, and the rest are not firing, then that is a recipe for division. If you've got all 10 cylinders firing at their maximum, then you'll have harmony, or unity."

Economic growth would accelerate throughout the country – including the English regions. "We can bake a much bigger cake than we're baking at the moment," Mr Caborn added.

English peninsular, page 6

Blair urged to update Britain's image abroad

David Walker

Catching the nation's introspective mood, Denies today publishes proposals for giving Great Britain a new image of itself fit for a new century.

The think tank's paper, sponsored by the Design Council, urges Tony Blair to lead the "rebranding" of Britain's identity, emphasising openness, non-conformity and creativity. Margaret Thatcher's efforts at national re-creation were too nostalgic and too nationalist.

The speech showed on the one hand a desire to look after the children, but on the other hand made them victims of a public tug of war," he said.

And the constitutional historian Lord Blaikie said: "I think he was wrong to imply that the prince should be 'saved' from the Royal Family. There is nothing to suggest that Charles is not a caring and loving father."

The monarch should undertake a series of visits to places

such as China, Iran, Ireland and the Caribbean – where there is still bitterness about

Britain's past, apologising and "healing".

Practical suggestions offered by Denies – its director Geoff Mulgan now a member of the No 10 policy unit – include offering visitors coming off planes and ferries "morsels" of the new British cuisine.

Heathrow and the Port of Dover should be overhauled to provide visitors to Britain with a "stunning welcome".

British embassies should get rid of their Chippendale furniture, titled diplomats and general stiffness. Government agencies and business should promote the country as an innovative hub open to all-comers.

Britain, the report says, "will never again be a superpower or an empire. But its position as a major industrial and political

power has stabilised. It can never be a young country" in a literal sense, but is bursting with the energy and exuberance that young countries enjoy.

A renaissance of British pride built on sense of Britain as an entrepot would help exports and increase tourism revenues.

The report's author, Mark Leonard, says Britain suffers from the misperceptions of foreigners. Tourists think the food is bad and the natives arrogant.

Foreign firms fail to rate the creativity and success of British companies. British people themselves are too wedded to out-of-date stereotypes and the Government's efforts to sell Britain abroad consist too often of cardboard cut-outs of Beefeaters.

New brand image, page 11
Leading article, page 14

Getting hitched?

You desperately need a free copy of 'Look Before You Leap', the man's guide to buying an engagement ring.

Boodle & Dunthorne, the leading English jewellers, have packed it with helpful information, common sense, and some reasonably impartial advice.

Don't let your credit card out of your sight until you've read it from cover to cover. Call in m pick up your free copy, or telephone 0171-584 6363.

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QUICKLY

Greer gave to Labour
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news

significant shorts

Blair refuses to rule out autumn reshuffle

Speculation on an autumn reshuffle was mounting last night after the Prime Minister refused to rule out such a move. Mr Blair said during an interview on the BBC's *Breakfast with Frost* programme that he would make the decision "at the appropriate time". But there is an apparent hint that a reshuffle might be imminent; he added that ministers were aware of the situation.

"I am sure they know what the score is, which is that Prime Ministers have to do reshuffles from time to time but these are decisions you have to take on the basis of what you believe to be the right thing," he said.

Fran Abrams

Drugs slip in as Britain grieves

Customs officers have seized more than £2m worth of cannabis as smugglers took advantage of the funeral of Diana, Princess of Wales, to bring the drugs into Britain.

Following several months of surveillance work, officers from HM Customs National Investigative Service pounced at the Thurrock service station on the M25 in Essex. NIS officers say that because Britain was so quiet, as the nation watched the emotional funeral service of the princess, it was difficult for them to carry out a surveillance operation. The drugs, weighing three-quarters of a ton, are thought to have been imported from Holland. A further four people were arrested in Middlesex where a further £1m of drugs was found. Four people have been charged with drug smuggling, including a Dutch national. Two others, including a German man, are still being questioned. The four are due to appear before Uxbridge magistrates' court today.

Uh oh ... Teletubbies hit the shops



BBC chiefs are expecting a Teletubbies bonanza this week as the first books and videos based on the cult BBC2 programme go on sale today.

Thousands of mothers across Britain are expected to snap up the *Here Come the Teletubbies* video and a clutch of paperbacks, including *The Magic Flag* and *Laa-Laa's Ball*. The most highly prized gifts will be the fluffy Teletubbies figures of Tinky Winky, Dipsy, La-La and Po (below). The BBC's commercial arm, BBC Worldwide, insists it is not casting in on the show's popularity, saying the products are part of a long-term educational programme; 260 episodes of *Teletubbies* have so far been commissioned, to run until next autumn, and are aimed at pre-school children.

Police officers save driver's life

Two police officers saved a driver's life by dragging his burning body from a blazing car in which two of his friends died.

The officers breached open the driver's door and pulled the young man to safety, then sprayed his body using a fire extinguisher from their patrol car, Essex police said. A back-seat passenger was thrown clear into the road but broke both legs after the driver lost control of the car, which hit a road support and burst into flames. Two people, a woman and a man both in their late teens, were killed in the accident near Chelmsford, Essex, early yesterday at a slip road running underneath the A12.

Paedophile found hanged in jail

A paedophile serving a life sentence has been found hanged in his prison cell, the prison service said yesterday. Paul Jackson, 41, was convicted at Preston Crown Court in January 1996 of charges of gross indecency and buggery with children. He was sentenced to life in prison five months later. Staff at Brixton prison found him hanging in his cell in the segregation unit at 6.30am on Friday.

A prison service spokesman said that next of kin, the police and the coroner had been informed. An internal investigation into the death will be held at the prison.

Employers 'expect far too much'

Employers' expectations of workers are "tumbling out of control", making staff yearn for job security and satisfaction, a poll has showed.

Research by the GMB general union, covering 350 organisations, showed that job security was the most important issue listed by workers, well ahead of pay. Only one in five identified flexibility as important, suggesting that too many were being treated as "dogsbodyes", said John Edmonds, general secretary of the GMB. "Workers are very ready to be flexible to ensure the success of their organisations, but there are limits. Agile production is a step too far, the inflation in employers' expectations is ever-increasing."

Green light for Dublin prostitutes

A women's group yesterday called for the establishment of an official red light district in the centre of Dublin.

The Irish capital's Women's Health Project, which provides an outreach service for prostitutes, said the city should have a "toleration zone" for their use. Dublin's estimated record total of 600 working prostitutes is growing – despite coming under pressure from police operating a recently-imposed crackdown – according to project workers.

£14m National Lottery jackpot

One ticket has won the £14m National Lottery jackpot. The winning numbers were 20, 22, 26, 36, 40, 41, and the bonus 16. The draw was held for the first time on a Sunday as a mark of respect for Diana, Princess of Wales, whose funeral took place on Saturday.

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people



Lulu Skidmore: 'The libido of male camels is not great' (Photograph: Country Life)

British scientist brings fresh approach to sport of Sheikhs

The sight of twenty hump-backed and ungainly beasts clumping through the dust of the Dubai desert is unlikely to induce the next great scramble for exclusive rights to pay-as-you view television coverage.

Yet the ancient Bedouin pastime of camel-racing is now such serious business that a young English scientist has been persuaded to devote her expertise in artificial insemination in animals to the quest for producing the perfect racing camel.

Lulu Skidmore, 32, the daughter of a pig farmer from Suffolk, has established herself in a cavernous laboratory in the desert outside Dubai City. Here, at the behest of His Highness Sheikh Mohammed bin Rashid Al Maktoum, the crown prince of Dubai and the defence minister of the United Arab Emirates, she pairs camels into genetically-desirable combinations.

A top racing camel can change hands for up to £1.5m but the money involved does little to inspire the reproductive efforts of the animals themselves.

"The libido of male camels is not great," said Dr Skidmore. "They soon tire if they have to mate several times in a few days."

Dr Skidmore and her team of 10 assistants get round the problem by diluting the camel semen in a liquid containing nutrients which enables it to be used to inseminate up to five female camels at a time.

Formerly employed at the Newmarket-based Equine Fertility Unit, she came to the attention of the



Stallone to swap boxing ring for race track

Hollywood actor Sylvester Stallone found the glare of the cameras too hot to handle as he revealed plans to make a film about the world of Formula One yesterday.

Stallone signed an agreement before the Italian Grand Prix in Monza for a Hollywood-backed film which will be made in the next 18 months with an international all-star cast. But the *Rocky* star suddenly ended a press conference at which he unveiled the planned production, saying: "It's far too hot in here."

Stallone added that he hoped new technology would help show what it's like to drive a Formula One car which can reach speeds of over 200 miles an hour.

"They are extraordinary machines," he said. "The film will be Europe-based. We will use actual race footage intermingled with staged footage most likely of a high technology that has not been seen before on film." Stallone, who did not say whether he would star in the film, added: "We will also use current grand prix drivers as they are stars already."

Formula One chief Bernie Ecclestone said: "We are very lucky to have a superstar like Sylvester Stallone helping us. I am sure he will make a fantastic film."

Alan Murdoch

Coltrane adds weight to Channel 4 schedule

Channel 4 will today unveil its first £100m schedule, spearheaded by the biggest man in television – Robbie Coltrane.

Channel 4's budget is more than 25 per cent up on last autumn because of the relaxation of the funding formula which forced it to give ITV huge sums of advertising revenue.

The 47-year-old Cracker star will host the six-part *Coltrane's Planes and Automobiles*, a personal indulgence into his fascination with the internal combustion engine in all its forms. "I'm a noisy devil. I'm incapable of walking past a piece of machinery without wanting to know all the details of

its private life. People say it's unnatural and uncool, but I can't believe I'm the only person who thinks engines are fascinating," says Coltrane.

Leading the channel's drama output is *A Dance to the Music of Time*, in which the 12 novels by British author Anthony Powell are distilled into four feature-length films.

Miranda Richardson, Edward Fox and Alan Bennett will be seen in the ambitious drama based on the rise and fall of the fictitious hero Nicholas Jenkins (played by John Standing).

Michael Jackson, who replaced Michael Grade as C4's chief executive, said: "The increased investment

I have inherited will strengthen Channel 4 and fulfil its unique function. To echo Sir Jeremy Isaacs' founding promise 15 years ago this autumn, Channel 4 should provide programmes for everybody some of the time," he said.

Last year, ITV received £27m from Channel 4 under the funding formula which was set up before Channel 4 began broadcasting. The formula guaranteed half of all Channel 4 revenue for ITV once the channel hit a 14 per cent share of terrestrial advertising revenue. In 1996, it can expect to reap just £50m, but from 1999 Channel 4 will be free of the burden.

briefing

HEALTH SERVICES

Race bias found in diagnosis of mental patients

Mental health services are discriminating against African and Afro-Caribbean patients, it was claimed today.

A survey by mental health charity Mind found African and Afro-Caribbean people are more likely to be diagnosed as schizophrenic, detained in locked wards and treated with higher doses of medication than other ethnic groups.

The "Raised Voices" report is based on the experiences of 100 African and Afro-Caribbean mental health service users in England and Wales.

It found 43 per cent of respondents were diagnosed as schizophrenic and only 8 per cent with depression. This compares with a 14 per cent diagnosis of schizophrenia and 51 per cent depression among other groups of the population.

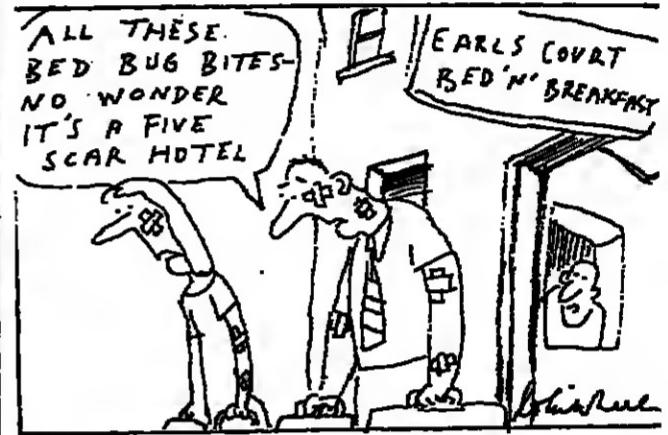
Thirty two per cent had received counselling and 17 per cent psychotherapy – almost half the level given to whites.

In a bid to tackle these issues, the charity will launch a number of new initiatives at a national conference in London today. These will include a new Government-funded unit called Diverse Minds which will help to develop and deliver training for mental health workers and community groups.

Judi Clements, chief executive of Mind, said: "Increasing amounts of evidence point to the inability of current mental health services to meet the diverse needs of Britain's communities – people have been telling us that they do not feel understood when they are in great distress. There are some extremely good examples of projects and practice that are truly responsive to people's needs, but these are too few and far between."

TOURISM

Hotels hit by bedbugs plague



A new breed of super bedbugs is plaguing small London hotels, a hotel guide out today reveals.

One American tourist was so badly bitten he had to have medical treatment, according to *The Good Hotel Guide 1998*, published this week. The guide said London had "some of the dingiest hotels of any Western city, with indifferent service, shabby rooms, thin walls and depressing decor".

It described the fast-moving, voracious bug (*cimex lectularius*) as "a new peril for visitors". The super bugs were first spotted in 1997 in hotels in the Earl's Court area of west London after a survey of more than 300 hotels by Kensington and Chelsea's environmental health chiefs, said the guide.

Its editors called for cheap hotels to raise their standards and said it was no wonder tourists complained.

"Disgracefully, some of these dose-houses are endorsed by tourist board and hotel associations which should know better," said the guide. "A budget hotel doesn't have to have a central location, but it should be clean and reasonably quiet, with easy access to public transport."

The guide also said that complaints about unexpected costs which bump up hotel bills, such as added service and VAT charges not included in quotations, continued to increase among regular readers of the guide.

The Good Hotel Guide 1998, by Hilary Rubinstei and Caroline Raphael; published by Ebury Press; £12.99.

SOCIETY

Parents admit drugs ignorance

More than a third of parents think their children know more about drugs than themselves, according to a new survey.

The finding emphasises the importance of a national drug awareness campaign to be launched today by the Health Minister Tessa Jowell, which will urge parents to find out about drugs and their effects via a new booklet, available free from Boots the chemist.

"Drugs and Solvents – Know the Facts", which contains information on drugs and their risks, will be available at all branches of Boots until 14 September. The awareness-raising week has been organised by the Health Education Authority in association with Boots.

The home shopping market was worth £7.55bn last year, a 3.4 per cent increase on 1995 and a recovery from the 2.1 per cent fall experienced previously, it said.

But the market underperformed the pace growth of all retail sales and accounted for only 4.5 per cent of all retail sales.

It confirmed the position of Great Universal Stores as market leader with 24.2 per cent of the business, with Littlewoods second on 16.1 per cent.

Electronic home shopping, including television shopping channels and the Internet, raised its share of the market but still accounts for only 1 per cent of home shopping or 0.04 per cent of retail sales.

"There is neither the technology nor the demand from the public at present to stimulate growth," Verdict warned.

HEALTH

Coping with the misery of migraine

Charity chiefs will today launch a step-by-step guide to help migraine sufferers cope with their condition.

The launch of the free booklet called "Taking Control of Your Migraine" marks the start of Migraine Awareness Week.

An estimated 6 million men, women and children in the UK suffer from migraines. Symptoms include severe head pains, nausea, vomiting, visual disturbances and temporary paralysis.

Disruption to careers, family life, education and social commitments are common complaints.

Executives at the Migraine Trust hope the 16-page booklet, which examines the different types of migraines, trigger factors, kinds of treatment and where to get advice, will help sufferers.

Author Ann Rush, director of the Migraine Trust, said: "The new booklet will go a long way towards helping sufferers cope with the debilitating, long term condition."

"Sufferers need good quality information

Money pours into memorial fund

Steve Boggan
and Fran Abrams

The fund set up to commemorate the life of Diana, Princess of Wales, was growing rapidly yesterday as the Prime Minister announced plans to establish a permanent memorial to her.

Trustees of the fund revealed that they had been given a cheque for £2m by one unnamed company over the weekend while pledges to the international credit card hotline were being made at the rate of 300 every hour.

Mishcon de Reya, the firm of solicitors administering the Diana, Princess of Wales, Memorial Fund, said it had received a "huge volume" of donations but a spokeswoman refused to comment on some reports that had already topped £100m.

Last week, Harrods owner Mohamed Al Fayed, the father of Dodi, Diana's friend, pledged £5m towards the fund.

Kate Knightley Day of Mishcon de Reya said agreements had been drawn up with a number of large companies who would make donations later this week.

"There has been a huge volume of donations," she said.

"We have had touching gifts as small as 20p - a child's pocket money Cellotaped to a hand-made card, and donations from business."

"We don't have any official figures but we should start getting them in the next week subject to difficulties such as the funds taking some time clear."

Business on the international credit card hotline - phone number 0990 66 44 22 - was busy, too, with donations averaging between £10 and £20.

The line is capable of accepting 3,500 callers at a time.

The two trustees of the fund, Anthony Julius, a partner at Mishcon de Reya, who used to handle Diana's affairs, and Michael Gibbons, his private secretary, are understood to have drawn up a flexible trust deed that will allow them to make donations to as wide a range of good causes as possible, not only those with which the Princess was most closely associated.

The Prime Minister said on BBC's *Breakfast with Frost* programme that he hoped the group would complement the fund-raising that had already started.

"People want the sense that there is a legacy there that is going to be taken forward and last," he said.

"Let her legacy be compassion. Let's be a better, more compassionate Britain."

"I think there has to be a permanent memorial and I think the best way of doing that is a lasting

covenant of her work. We will look at this very closely to see what role we can play," he said.

Mr Blair added that the very best memorial would be to build a more compassionate nation to match "the generosity of spirit that typified her".

"Cheques to the fund should be crossed "account payee only" and made out to Diana, Princess of Wales Memorial Fund."

A website has been set up on the Internet to allow people to make credit card donations.

All major bank branches in Britain are accepting cash and cheques, as

are all Post Offices and many building societies.

Alternatively, people can send cheques either to Kensington Palace, London W8 4PU, or to Diana, Princess of Wales Memorial Fund, PO Box 1, London WC1B 5HW.

Cheques to the fund should be crossed "account payee only" and made out to Diana, Princess of Wales Memorial Fund.

"Let her legacy be compassion. Let's be a better, more compassionate Britain."

It can be accessed on www.natwest.com/worldpay.

Earl spoke in revenge for his lonely childhood

Steve Boggan

Earl Spencer's devastating attack on the Royal Family and the tabloid press was, like the best forms of revenge, served up cold after a week of calculated preparation. But the seeds of its ferocity were planted long ago.

His desire that the Princess of Wales's sons should be sheltered from the "duty and tradition" of a cold, emotionless, royal upbringing has its roots in his own childhood, an impersonal rearing within a broken home.

His loathing of the tabloid press is well known. It was nurtured during the years he watched his sister being hounded by the paparazzi and it followed when some newspapers printed pictures of his emaciated former wife, Victoria, receiving treatment for bulimia at a private clinic.

When Charles Edward Maurice Spencer was christened at Westminster Abbey 33 years ago, the Queen was his principal godparent. His is an astonishingly wealthy family that began making vast sums of money from sheep farming in Northamptonshire 500 years ago. The family estate, Althorp, was bought in the 16th century with the proceeds of trade.

The Earl's childhood was shattered by the divorce of his parents in 1967 when his mother, Frances Ruth Burke Roache, ran off with Johnny Shand-Kydd - an event which, of course, attracted the attention

tions of the press. His parents vied for his and Diana's affections in material ways but there appears to have been a cold distance between him and his father, Johnnie, the eighth Earl.

Who Johnnie married his second wife, Raine, the children were not told of the wedding in advance. Charles is reputed to have been told about it by his prep school headmaster: the children allegedly called her "Acid Raine" thereafter.

The young Charles and Diana enjoyed privileged childhoods, playing together in the grounds of Royal Sandringham, another family estate. But Andrew Morton in his book *Diana, Her True Story* tells of fears they shared and of their unhappiness over their parents' divorce.

"As children, Charles and Diana were afraid of the dark and they insisted that the landing light was left on or a candle lit in their rooms. Every night as [Diana] lay in her bed, surrounded by her cuddly toys, she could hear her brother sobbing, crying for his mother."

Charles, attended Eton, where he was remembered as quiet but loyal, and Magdalen College, Oxford. In 1989 he married Victoria but their relationship broke down despite the arrival of a daughter, Kitty.

Meanwhile, he carved out a career for himself in the media, working as a reporter for the American network NBC. Colleagues speak of him as being intelligent and reliable, but one

said: "He was keen to learn and he mixed very well with people and was likeable. There was always the feeling, though, that it was a bit like a hobby - he was so rich he didn't have to do it and, once he got bored with it, he was able to walk away."

But it was never that simple. As Diana's brother, he had always been hounded by the tabloid press and he tenaciously fought back, through the Press Complaints Commission or the courts.

But the pictures of a terribly ill Victoria were the last straw; two years ago, he moved to Cape Town in South Africa to escape the media glare.

Charles, attended Eton, where he was remembered as quiet but loyal, and Magdalen College, Oxford. In 1989 he married Victoria but their relationship broke down despite the arrival of a daughter, Kitty.

Candle in the Wind set to be all-time best-seller

Amanda Kelly

"Candle in the Wind", the Elton John song which brought tears to the eyes of many on Saturday, is tipped to be the biggest-selling single of all time and raise up to £10m for charity.

The song, which was rewritten specially for the funeral, will keep its original title when it goes on sale next week. All the money raised by the record will be donated to the Princess's Foundation.

It was originally composed as a tribute to Marilyn Monroe but only made it to number five in the charts when it was released in the 1970s. The new version is expected to rocket to the top of music charts all over the world.

John, who was a close friend of Diana's, went straight from his emotional performance at Westminster Abbey to record the single. He was accompanied by Sir George Martin, the man responsible for producing the Beatles songs.

Speaking on the BBC programme *Breakfast with Frost* yesterday, the singer said: "George suggested I did a piano and a voice live and I did two takes. The second was re-



Elton John at the funeral singing his new 'Candle in the Wind', which was originally a tribute to Marilyn Monroe

Death to affect British economy

Kathy Marks

The passing of Diana, Princess of Wales, has left the nation emotionally impoverished. More prosaically, even the British economy is likely to be adversely affected by her death.

The Centre for Economics and Business Research says today that sharply reduced spending on entertainments, visits to leisure attractions and sporting events in the past week could lead to retail sales figures in Sep-

tember nearly 1 per cent lower than expected.

Traffic congestion in central London over the past week, as mourners converged on the Royal palaces to pay their respects, will probably have reduced business productivity too. Net gross domestic product for the third quarter of the year is likely to be down by nearly £200m, or 0.1 per cent.

On the other side of the coin, expenditure on flowers and other mementoes will have benefited the economy, and extra

tourism revenue will have been generated by the thousands of people visiting London for Saturday's funeral.

The CEBR predicts an eventual "Grace-land effect", with London and other areas associated with the Princess attracting crowds of visitors in the same way that Memphis, Tennessee, draws disciples of Elvis Presley.

But the "Diana effect" is likely to be on an even bigger scale, the centre says, as sales of memorabilia build up.

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Diana 1961-1997

the reaction

All America stays up for the replay

Mary Dejevsky
Washington

How much is too much? was the question that cropped up repeatedly on yesterday's prime-time television talk shows and in the opinion columns of America's voluminous Sunday papers. The answer was summed up in a throw-away line from the host of perhaps the most prestigious talk show, *Meet The Press*: "... And later, Mother Teresa of Calcutta."

As producers and editors concurred, their problem was akin to that of the British Royal Family: they made their plans, then they made them again in the light of demand. Over last week, most particularly on Saturday and Sunday, the pace was dictated by the public – and where the US media were concerned, the public just couldn't get enough of Diana.

Millions of Americans – the exact number has not yet been

established – rose in the early hours of Saturday morning, or just never went to bed – to view the funeral live. By Friday night, several networks had decided that those who slept through their alarm clocks would still want to watch. On Saturday morning, the live relays, without – almost unprecedented for America – commercial breaks, were followed almost immediately by full, vociferous replays of the funeral. Despite promises from several channels

that normal programmes would resume – that did not happen. Even channels not known for live or extensive coverage of such events – Fox News was one such, the Arts and Entertainment cable channel was another – joined the mainstream networks. CNN and even C-Span (which generally broadcasts the US Congress proceedings and related matters) – in broadcasting the funeral live. Several took the BBC coverage in its entirety, but

even the majority which did not apply unaccustomed restraint during the service. Commentators such as Tom Brokaw, Dan Rather and Barbara Walters refrained from comment during the funeral, returning to the import of Earl Spencer's speech only afterwards.

Surprisingly, perhaps, in a country which is determinedly republican, the political significance of Earl Spencer's criticism of the Windsors took

second place in the US media to his vilification of the paparazzi. Their alleged role in Diana's death and a possible backlash against tabloid journalism in the US remained central to the US commentators. By yesterday, it was apparent that the extent of Diana coverage here had divided the US media establishment. Some suggested that the coverage was excessive, mawkish and at times bathetic. But one insight was given in a report from the

Washington Post, where a reporter recounted discussion of the paper last week about whether coverage should be scaled down. A few "white males" had argued for doing so, but found themselves comprehensively outvoted with women and most passionately from ethnic minority women in the forefront of the counter-argument. Which reinforces another aspect of the response to Diana's death in the US. Women, of all ages and ethnic groups,

were prominent among the mourners. Women also turned out in large numbers at the Washington memorial service at the National Cathedral on Saturday, where one of the tributes was given by Katharine Graham, chairman of the Washington Post.

Among Mrs Graham's memories was an episode in which she heard an inveterate gambler ask Diana whether she gambled: "Not with cards," she was heard to reply, "but with life."

People and flowers keep on coming

Jojo Moyes

If the Royal family had thought that the funeral of the Princess of Wales would stem the public displays of emotion, they were wrong.

At Kensington Palace yesterday, they were not letting her go quietly. By midday the gardens were more crowded than it had been on the day of her funeral. Anyone walking down Kensington High Street could have been forgiven for thinking there was some kind of huge family fair on. At one stage it took five minutes just to get in, or out, of one of the gates.

People streamed in bearing flowers, balloons, or personal notes. Many pushed children in prams, children they had been afraid to bring last week because of the crush. Nearly all carried cameras, to record the extraordinary sea of flowers that still crept outwards by the hour.

Police clearly struggling to direct the ever-increasing flow, were simply trying to keep the mass moving. At High Street Kensington Tube, they had decided it was a matter of safety first, and simply opened all the ticket barriers, allowing the crowds to flood through.

The McClune family were taking a short breather on the grass. They had travelled to the palace from Croydon, and were stunned by the number of people there.

"It was such a sad day yesterday, that we thought although we got our emotions out, we had to come and pay our respects. It feels better to have seen it up close," said Barry McClune.

"There seems to be more people here than there were at Hyde Park yesterday. But it's very quiet and peaceful. It's nice," said his wife Moira.

Few people were crying, and had marked no signs of the grieving that had marked the previous day's events. Instead, people sat with picnics, or walked, instead, examining the notes and flowers that hung from trees even a quarter mile from the gates of the palace, makeshift shrines heavy with the scent of candles.

Palace officials announced yesterday



A young girl among the mourners at Kensington Palace yesterday. Royal officials have announced that the flower will be cleared tomorrow

Photograph: Kalpesh Likhara

that tomorrow, the flowers will be cleared.

The fresh ones will be given to old people's homes and hospitals at the request of Diana's family, while dead flowers will be turned into compost to grow new plants in Kensington Gardens.

But many of those present yesterday said that the memorials would continue. "We will be bringing flowers again, I think it should carry on. I go to my mother's grave

to put flowers, so this is just the same," said Moira McClune. "This is just somewhere where you're not intruding on the family's grief."

Elizabeth Beesley, from Bournemouth, and her mother Joan Hounsell from Poole, said they had friends who were planning to come and lay flowers later in the week.

"I think it will die down after this week,

but there should be a focal point, because people will still want to come and pay their respects, whether they're from out of town, or America, or whatever," Ms Beesley said. "But I think there will always be flowers here."

Suggestions that the prolonged pilgrimage to the gardens might be verging on the unhealthy were swiftly hatted down.

"How can it be unhealthy to want to

commemorate someone's life?" said Steve Hampton, from Chicago, on holiday in London. "You guys just get uncomfortable because it doesn't seem like a British thing to do."

But Karen Lombard and Philip Court from South Africa – while admitting that the flowers "took their breath away" – thought there should be a limit.

"It should carry on for another week or

so, then give it a rest. It's not fair to make it a shrine given that it was the boys' home. It just makes it more difficult for them to get on with it," said Karen Lombard.

"But what the palace should do is collect up all those cards and poems with the messages for the boys. It would be a big help for them to know how much they are all loved."

Churches overflow for last farewell

Amanda Kelly

Churches around the country were overflowing yesterday as worshippers gathered together to say a final farewell to the Princess of Wales.

In special services, heartfelt prayers were said for Diana and her family as the nation struggled to return to normal life following her funeral.

Organisers of a commemorative service in Birmingham's Centenary Square were amazed when 20,000 people turned up to pay their respects.

The mourners bowed their heads and wiped tears from their eyes as Bishop Mark Satter spoke on behalf of the people of Birmingham.

In Dublin, more than 3,000 people in the Church of Ireland Cathedral honoured Diana at a memorial service led by Ireland's President Mary Robinson.

A requiem mass at Salford Cathedral drew another thousand mourners, who laid bouquets and lit candles to mark the mass.

The Bishop of Durham, Rt Rev Michael Turnbull, urged 3,000 people packed into Durham Cathedral not to make an idol of Diana. "She was frequently portrayed in the media as a fantasy figure ... Yet we know that idolatry misses the reality and devalues the precious

truth about her," he said.

Diana was also honoured at a number of other events being held up and down the country.

Princess Michael of Kent addressed the crowds at a charity polo match she hosted next door to Highgrove House in Gloucestershire where Prince Charles was comforting his sons William and Harry.

She told the spectators that she had considered cancelling the event but said: "I know in my heart she would have wished us to carry on."

We were neighbours at Kensington Palace and used to wave to each other from the windows. She had such a feeling for the plight of the young and sick. In her memory we should continue her work."

The National Anthem was played and a minute's silence held at the Shepperton Air Show in Kent and cyclists taking part in a charity ride in south London each wore a single flower in memory of Diana.

Meanwhile, a 12,000-strong crowd at Watford Football Club gave Elton John a standing ovation yesterday when he took his seat for the first time since resigning as the club's chairman.

Watford fans had been warned that the singer, who stirred the nation on Saturday with his special performance of "Candle in the Wind", would not be addressing the crowd.

Stephen Godwin

The winds of change were still pressing on the Royal Family yesterday despite their withdrawal once again into their private fastness of Balmoral.

In a service at Crathie parish church attended by the Queen and the Duke of Edinburgh, Diana, Princess of Wales, was praised by the Queen's chaplain, the Rev Robert Sloan, as a loving mother with a special personality – a stark contrast to this chilly service a week earlier when Diana wasn't mentioned.

Immediately after the service, the Queen was joined for lunch at Balmoral by Tony Blair and his wife Cherie.

The Prime Minister remained at the royal residence on Deeside, in Scotland, for most of the afternoon but on leaving refused to answer questions on what was due to happen.

In a probably unprecedented departure, the Prime Minister's motorcade stopped shortly after leaving the gates of Balmoral, but on the opposite bank of the Dee, and he and his wife got out briefly to shake hands with well-wishers.

More than 400 people had gathered outside the parish church to see the royal party, including the Queen Mother attend the morning service and the Queen was given a warm, if somewhat restrained applause as she was driven back to her castle. A bank of flowers placed in memory of the princess has been growing beside the gate since Thursday.

Prior to that flowers had been cleared each day, to the dismay of some who regarded their removal as unsympathetic.

The plunge in public esteem for the Royal Family last week began with the bad impression made by the morning service at Crathie. Princes William and Harry accompanied the Prince of Wales and their grandparents, but there was no mention of Diana during the service. Mr Sloan's reasoning, explained afterwards, was that it would not have been appropriate so soon after the boys had been told of their mother's death.

Yesterday, though, neither the young princes nor their father was present. Mr Sloan made amends. Leading the prayers he commended Diana's willingness to respond to victims of prejudice, poverty, disease and war and said she would be remembered as a mother whose love and enjoyment of her children will always be remembered.

"But above all else," he said, "we give thanks for the love she showed as a mother and for her sense of fun and for the happy memories which her children will always treasure."

In an ambiguous passage Mr Sloan bid the congregation pray for guidance "at this time of decision so we might pass on a heritage worthy of our best yesterdays and welcoming to the things of tomorrow". It sounded like a plea for a more open monarchy, but the Queen's chaplain said later that he was referring to Thursday's referendum.

Queen's chaplain praises Diana the loving mother

Editors start work on new privacy code

Steve Boggan

Moves to tighten the Press and media's code of practice over privacy will begin in earnest this week.

Sir David English, chairman of the Press Complaints Commission's code of practice committee, insisted today that the Press must heed the stinging rebuke of the media by Earl Spencer during his tribute to his sister at Saturday's funeral.

Tony Blair said during a BBC interview yesterday that he hoped newspaper editors would not subject Prince William to the kind of media bombardment endured by Diana.

But he went on to say: "I've never been convinced about privacy laws. I don't think you ever get to the stage of saying you're ruling anything out, but personally I think ... it requires [of editors] a degree of acceptance of what is proper conduct when seeing as the way-ahead."

PCC chairman Lord Wakeham announced a tour of tabloid editors' offices this week as he begins to work on proposals for reform, although self-regulation was still being seen as the way-ahead.

It appeared last night that Lord Spencer's electrifying tribute to his sister on Saturday, with its no-holds barred attack on the Press, was the final spur needed to prompt at the very

least a fresh stab at tougher self-regulation.

He vowed to protect Prince William and Harry from the harassment which had caused his sister such anguish and all but driven her out of Britain. And he accused the Press of turning Diana into "the most hunted person of the modern age".

Sir David, chairman and editor-in-chief of Associated Newspapers, said: "I think we in the Press have got to listen very much to what Spencer said. You can't ignore him."

He said he believed the Press must not be so hard on the Royals in the way they reported things.

But he insisted that, if the focus was set to shift onto Diana's elder son, William, all of the British Press had a very good record: in the last two years they had kept to the rules of a deal in which they had promised not to use paparazzi pictures of William in return for formal pictures.

"I think that will continue and, speaking for Associated Newspapers, we will never use them – we will never use paparazzi pictures of William while he's growing up."

"And I don't think that any other paper will either. This is something the PCC and self-regulation will now have to make work – and we will," Sir David said.



Tony Blair on yesterday's *Breakfast with Frost* programme. He later had an audience with the Queen at Balmoral



Tricky act: Jean-Thierry Barat of the Cirque Baroque performing in *Candides* at Three Mills Island Green in east London at the weekend. The show, which runs until 21 September, features circus skills, contemporary theatre techniques and pantomime, pop and literature

Photograph: Laurie Lewis

Lobbyist and new peers gave pre-election cash to Labour

Fran Abrams
Political Correspondent

Ian Greer, the lobbyist at the centre of the cash-for-questions scandal which engulfed the Tories, is named as a major donor to the Labour Party in a report for its annual conference later this month.

Five new Labour peers also gave large sums of money to Labour last year. A second lobbyist, Richard Faulkner, joint managing director of Westminster Communications, is also revealed as a leading financial donor. All gave more than £5,000 to the party.

In July four big donors were elevated to the House of Lords. They were Ruth Rendell, the author, David Puttnam, the film producer, David Sainsbury, chairman and chief executive of J Sainsbury and Michael Montague, a businessman. The fifth, Swraj Paul, a businessman, became a life peer in July last year.

Mr Greer, as head of Ian Greer Associates, was the go-between for payments to several

Tory MPs, some of which were found to have breached Commons rules.

According to the report from Labour's National Executive Committee the number of high-level donors more than trebled last year. In 1995, just 17 organisations gave more than £5,000, compared with 55 in 1996.

The amount raised through party fundraising went up from

£4m in 1995 to £10m in 1996, and a further £20m was given in donations in the four months run-up to the election.

Peter Goldsmith QC, who recently became chairman of a City watchdog, the Financial Reporting Review Panel, also made a large donation. In the run-up to the election he was mentioned as a possible future solicitor-general.

A number of well-known

party supporters from business and the arts were among the high-level donors, who were listed for the first time last year after a rule-change.

Among them were the publisher Paul Hamlyn, who gave £600,000, the Chelsea football club vice-chairman Matthew Harding, who gave £1m shortly before dying in a helicopter crash and the actor Jeremy Irons.

A number of trades' unions gave money to Labour, including the General, Municipal and Boilermakers' union and the Transport and General Workers' Union, though the proportion of party funds given by the unions dropped below 50 per cent for the first time last year.

They gave 45 per cent, compared with 76 per cent in 1986. Two unions which gave more than £5,000 in 1995 did not do so in 1986. They were the Amalgamated Electrical and Engineering Union and the Communication Workers Union.

Although the report does not give a final figure for

Labour's general election campaign spending, it says it is expected to exceed £13m. In 1992, the party spent £10.4m and in 1987 it spent just £4.2m.

The party's general election fund was £1m overdrawn on 30 June this year but the deficit is expected to be cleared by the end of the year.

Asked about Labour's union funding in an interview with the

BBC's *Breakfast with Frost* programme yesterday, the Prime Minister said party donors should not expect anything for their money.

"Nobody gives us any financial return for anything," he said.

"Nobody, whether an individual or a company, gets anything other than a government whose ideas and principles they support."

Unions and bosses fall out as social partnership talks fail

Barrie Clement
Labour Editor

Confidential documents reveal that the first attempt at "social partnership" under a Labour government has hit severe problems on the controversial issue of union recognition.

On the eve of the TUC's annual congress in Brighton, the papers show that a dialogue between Congress House and the CBI and prompted by the Prime Minister, has run into trouble.

John Monks, TUC general secretary, yesterday conceded publicly that a deal between unions and employers on the shape of legislation promised by the Government was unlikely. The documents seen by the

TUC's ruling general council illustrate the CBI's lack of enthusiasm for a law which would enforce recognition where half the employees wanted it.

Tony Blair, who will be addressing delegates tomorrow has told Mr Monks that the unions had "some persuading to do" as far as the CBI was concerned.

Officials from Congress House disagreed saying that while the agency should have the power to reject "frivolous" claims an initial test of membership would add another stage of bureaucracy to the process. Unions also reiterated their feeling that where union membership stood at 50 per cent, recognition rights should be automatic and there should be "no separate test of opinion".

Despite Mr Monks' pessimism, the document says that

while the CBI had "reservations" about Labour's manifesto commitment to statutory rights on recognition, they were proceeding on the basis that there would be a White Paper and legislation in the 1998-99 Parliament.

A poll by the TUC showed that employment rights sought by unions was backed by 74 per cent of the population. Mr Monks made it clear that the movement would take action against those who were denying employee rights and he singled out seven companies, including Railtrack and Dixons, the electrical retailer, where unions claimed to have more than 50 per cent of the employees in membership, but where recognition was denied.

Europe investigates UK police

Patricia Wynn Davies
Legal Affairs Editor

Mounting complaints over the failure to discipline or prosecute police officers found to have ill-treated suspects has prompted the first investigation of UK police complaints procedures by the Council of Europe's committee for the prevention of torture.

The committee, appointed under the 1987 European Convention for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (ECPt), which has been signed by 35 states, begins the

investigation today. Because it is an *ad hoc* inquiry, British police and criminal justice authorities would have been given only limited notice of the visit.

It follows the three successful High Court challenges to July - two concerning deaths in custody and one involving torture - against Dame Barbara Mills, the Director of Public Prosecutions, which resulted in controls on Crown Prosecution Service decisions over death-in-custody or ill-treatment prosecutions of police officers.

But the committee, known as the CPT, is expected to carry out a broader-ranging investigation

into police discipline, including an examination of why significant numbers of police officers escape disciplinary charges, despite jury awards of damages to claimants in civil cases for assault, malicious prosecution and false imprisonment.

The delegation, which includes Claude Nicolay, who heads the committee, and members from the Netherlands and Cyprus, has powers under the convention to request files and access to anyone who can provide information. The committee members are expected to seek inspection of documents at the Metropolitan Police, the Po-

lice Complaints Authority and the Crown Prosecution Service.

The convention also allows for periodic visits, of which there have been two to the UK mainland in 1990 and 1994.

Two of the High Court challenges involved Shiju Lapite,

who died in police custody after his larynx was crushed by an officer, and Derek Treadaway, whom a judge found had been tortured by officers putting plastic bags over his head. Raju Bhati, the solicitor who brought the two cases, said: "I hope that what the committee would be looking at is the virtual immunity police officers enjoy."

Women's dual burden belies new man myth

**Glenda Cooper and
Barrie Clement**

absolute number of women in the work force has increased in recent years they still bear the greatest burden for family care so their promotion prospects, job security and earnings potential are still much more restricted than are men."

The survey, which has interviewed 5,000 households (10,000 adults) annually since 1991 also suggests that in any one full year 73 per cent of men and 63 per cent of women are in stable employment or are self employed, 12 per cent of men and a quarter of women are out of the work force and 15 per cent of men and 24 per cent of women experience short-term movements in and out of work.

The 1990s has seen little change in how husbands and wives divide up their jobs. The data released at the beginning of the British Association of Science Week found that around 28 per cent of couples have two full-time jobs with the old standard breadwinner/housewife pattern where a husband works full time and the wife part time has fallen from 18 per cent to 15 per cent.

However, even these households were where both spouses have full time work have rather less gender equality than might be expected, with researchers describing any resemblance between husbands' and wives' work lives as "only superficial".

"Full time employed women continue to carry a 'dual burden': the husbands have in effect one job where they have two," said Jonathan Gershuny of the Economic and Social Research Council. When both men and women are employed full time women do on average nine hours more work.

When women have longer working hours than men they still do at least six more hours of housework a week. And when both are unemployed the wife will do as many as 14 hours more housework per week.

"The role that most women play as mother/housekeeper still significantly affects their career opportunities," said Professor Gershuny. "Although the only 23 per cent of professional and managerial men will have some time out of the labour force during the four-year period, compared with 53 per cent of male technicians and clerical workers.

There is an apparent overall stability in the level of secure employment (around 78 per cent) in any one year.

But the study noted an apparent trend, through the 1990s, of a substantial rise in annual job insecurity of male manual workers.

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England's regions lose out in power game

Anthony Bevins
Political Editor

The penalty suffered by the English – because they are not Northern Irish, Scottish or Welsh – was dramatically illustrated by figures showing that England receives a disproportionately small share of millennium money.

Answering a question from Roseanna Cunningham, a Scottish Nationalist MP, the Millennium Commission revealed that out of almost £1bn paid out in capital grants for prize projects, two-thirds had gone to England.

The revelation has added weight to the Government's plans to devolve power, which are under way in some regions.

England accounts for 83.5 per cent of the population of the United Kingdom. Yet it gets only 70 per cent of the money.

Northern Ireland has 2.8 per cent of the UK population, but it got 7.7 per cent

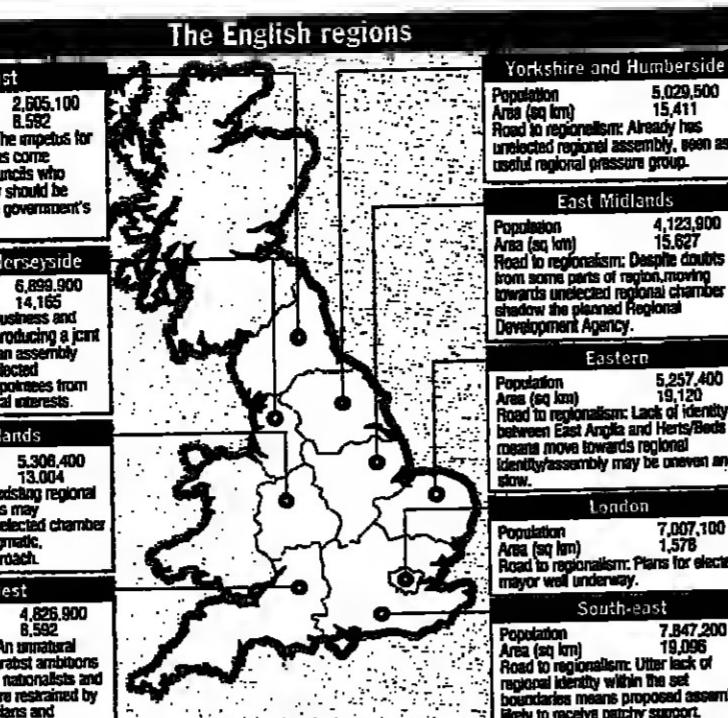
of the cash; Wales has 5 per cent of the people and 10.5 per cent of the money; while Scotland has 8.7 per cent of the people and 15.8 per cent of the money.

And the English penalty is, as always, aggravated by the fact that London tends to do quite well – with 11.6 per cent of the population and 10.6 per cent of the millennium grants.

The Celtic fringe, and London, do so well because they have developed a political identity – and clout. Because they make a noise, they get the sweeteners.

It would make sense for Scotland and Wales to get more money from Whitehall; if they were significantly worse off than the English regions.

But as Richard Caborn, minister for the regions, said yesterday that most of the English regions are now running well behind European average per capita income – while Scotland and Wales have caught up with that average since they were given their own regional development authorities in 1974.



The July unemployment rate for Scotland and Wales was 6.3 per cent – but that was less than the rate for Merseyside, the North-east and London. Yorkshire and Humberside had a rate of 6.2 per cent.

The point is also made by the Treasury analysis of its own regional expenditure that, while the English regions fare badly, some – such as East Anglia and the East Midlands – do worse than all the others.

The people in the most generously treated region, the North-west, get almost a fifth more money, per person than the least-favoured East Midlands.

The political and economic imperative that sees cash flowing to where the power is will ensure the eventual public endorsement of the Government plans.

Some ministers are less committed to the policy than Tony Blair, but Scotland and Wales are only the beginning of a process that will see a fundamental change in the way England, too, is governed.

mayor, to take responsibility for economic regeneration, planning, transport, environmental protection, and policing.

As Michael Heseltine set up the existing framework for English devolution, the Government Regional Offices, which currently spend about £4.6bn of taxpayers' money in the English regions, and as the Tories are now defending an English rural laager, they might yet find it difficult to oppose something that will be in the interests of their constituents.

But there is a resistance from Whitehall, with some ministers trying to defend their empires. Because devolution increases local power, it necessarily reduces the power of the centre and that arouses political rivalries.

Some ministers are less committed to the policy than Tony Blair, but Scotland and Wales are only the beginning of a process that will see a fundamental change in the way England, too, is governed.



Rebel yell: Cornish separation has been stirred by a march to London three months ago to re-enact the 1497 uprising and by the completion of the first Cornish dictionary

Realpolitik replaces a Cornish passion

Ian Burrell goes West to test the Cornish waters, as Christian Wolmar (below) finds strange friends in the North

Gloucestershire, which will form part of this huge and disparate economic region, is as near to Carlisle as it is to Penzance.

Loveday Jenkyn, spokeswoman for Mebyoo Kernow, said Cornwall's chances of attracting European development funds would be greatly harmed by being lumped with the wealthier counties of Devon, Dorset, Gloucestershire, Somerset, Wiltshire and the former Avon.

"Parts of Avon and Somerset are extremely rich while Cornwall is depressed, with low wages and high levels of homelessness. We need our own regional assembly to deal directly with Brussels and not go through either London or Bristol," she said.

The Marquess of Bath, who founded the Wessex Regionalist Party, is a supporter of the new RDA, provided it is linked to a new regional chamber. He would like to see England divided into eight self-governing regions.

"If we are to have a democratic Europe we have got to evolve away from the nation towards a united regions of Europe," he said.

Death row m



Rivals unite to lobby for northern assembly

A unique experiment is taking place in the North-west which could lead to an entirely new form of government.

Last week, local authority and business leaders met under the auspices of the North-west Partnership to agree to submit a document to government seeking the creation of an assembly which would be partly elected and partly appointed by business, big and small, and other local interests such as educational institutions and trade unions.

The document will be sent in at the end of this week backed by many local interests.

The new body would have 70 per cent elected representatives and 30 per cent appointed. While, in the North-east, business has been opposed to the idea of an elected assembly, in the North-west, business has been one of the main driving

forces. Terry Thomas, the recently ennobled managing director of the Co-op Bank and chairman of the partnership, said: "We are going to run things in an entirely different way and it will be very popular."

"We will be able to do things as a region which we just could not at the moment." He cites the plethora of local initiatives and agencies who "constantly fight among themselves and try to compete bold".

Mr Thomas reckons that the co-ordination of the assembly will allow the region "to concentrate on, say, three priorities in a year and ensure that they are successful".

While it has been a considerable achievement to get consensus across the sectors, it has been even a greater one to unite Manchester and Liverpool in the campaign for the assembly.

The hatchet has been buried but the rivalries remain.

Frank Prendergast, the leader of Liverpool City Council, said: "at the meeting we joked that the only two places the assembly would not be located were Manchester and Liverpool."

In fact, Mr Thomas says that the row over the development of Manchester airport's second runway, while Liverpool's has spare capacity, is the sort of issue which would be avoided with a regional assembly: "... it will ensure that decisions are taken for the benefit of the whole region ...".

"It will be possible to knock heads together."

He is amazed at the progress that the issue of regional government has made and the way it has united local interests: "Two years ago I would have said it was impossible."

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Jeff Hales A young soldier from

Banks urged to

Fines in train over phones left ringing

Randeep Ramesh
Transport Correspondent

Train companies are set to be fined hundreds of thousands of pounds by the rail regulator after a week where one in four calls from passengers using the telephone enquiry service went unanswered.

Executives at the Association of Train Operating Companies (Atoc), which administers the system, admit that fines are "likely" and blame an unforeseen "surge" in calls for poor results.

The admission flies in the face of assurances made last month by Ivor

Warburton, a director of Virgin Trains and chairman of Atoc, that the service would hit the targets set.

The performance of the National Rail Enquiry Service is being monitored by John Swift QC, the rail regulator. Mr Swift decided to act after receiving the figures from 25 private rail operators, which showed that 49 per cent of calls went unanswered in April and 35 per cent of calls made were not taken in May.

In the first week under scrutiny, beginning 17 August, only 75 per cent of calls were answered, despite 30 extra operators being hired. In the next seven days, the service still failed to

meet the regulator's target of restricting the number of unanswered calls to 1 in 10.

In the first fortnight of the penalty period, telephone operators managed on average to take 82 per cent of all the incoming calls. Unless this improves, the privatised rail companies will face a fine of £550,000. Even if the service manages to meet the regulator's target of 90 per cent for the next two weeks, the penalties will top £200,000.

"It is very, very difficult to recover from one or two days of heavy demand," said Alec McEvilly, director of operations at Atoc.

"In the first week we had to deal with 1.4m calls, which was a record. What we did not know was that the August bank holiday would generate so many enquiries."

Atoc admits that it would need to answer 98 calls out of every 100 for the next two weeks in order to avoid financial penalties. Given that the service has only once met the 90 per cent target since Atoc took over last year, executives admit that such high standards "probably will not be reached in the next two weeks".

The system has been handling more than 1 million calls a week – up by more than 200,000 on last year's

figures – but has seemed incapable of taking many more enquiries. Train managers are also pointing out that because of the funeral arrangements for Diana, Princess of Wales, the system may have been subjected to "unreasonable" numbers of calls.

Another problem for Atoc is that the rail regulator has decided not to rescind its "enforcement order" at the end of the four-week period, which ends on 14 September. This means that the service will continue to be fined indefinitely until the regulator's target is regularly reached.

Atoc executives have begun to

question the policy of fining company for poor customer service. "We have industry targets that are much higher than the regulator's own ambitions... but it will take time to get there. You have to ask whether it is worth fining companies in the meantime," said Mr McEvilly.

The privatised rail companies would like to introduce a computerised voicemail system that would place callers in a queuing system – although the regulator has argued that if this were adopted, a freephone number should be used so that passengers were not charged while waiting for an operator.

Rail campaigners pointed out that the passengers would be put off using rail, instead of the roads if they could not get information out easily. Jonathan Bray, campaigns director of rail pressure group Save Our Railways, said: "The telephone service has fallen apart because the privatised rail companies have sub-contracted the service to cut-price operators on the basis of cost and not quality."

A senior source at rail regulator's office said that companies would be fined if they failed to meet the targets. "We have to wait for the four-week period before we make any statement," said one official.

Cyclists ride into a storm over journey to forest

Randeep Ramesh

The rural idyll in one of England's oldest forests is being shattered by cyclists who are travelling into the area in cars. The Forest of Dean's cycle track, which has been open for 18 months, is proving so popular that cyclists from as far as Birmingham and London are flocking to the woodland – and filling it with fumes.

Local environmentalists are so concerned that they have undertaken pilot studies to assess the new phenomena. They found that in one three-hour period in July, 151 cars carrying 325 cycles entered the area. This was 50 per cent higher than the previous year.

Mary Newton, co-ordinator of the Dean Environmental Alliance, said: "Add to this the number of cycles carried in vans and estate cars, which cannot be seen to be counted and those vehicles travelling to the centre of the forest to hire cycles and it all adds up into making this appear to be an environmentally unfriendly project. The local lanes around for example the West Dean parish are not built to cope with these levels of traffic."

Residents are also angry that provision has been made for "tourists" but not for the local community. "This project cost half a million pounds and still local people have no cycle route between the main towns of Cinderford, Coleford and Lydney," said Sally Albow, chairwoman of the West Dean parish council.

The problem will be difficult to solve for planners who are committed to developing cycle routes. Campaigners point out that these are supposed to reduce, not increase, traffic levels. Mark Tucker, chief land negotiator with Sustrans, a cycling think-tank which produced a report for Gloucestershire County Council in 1992 recommending the route, said it was inevitable that "people would drive and then cycle in inaccessible spots".

There are alternatives. The cycle route is only a short ride away from Chepstow rail station. Some rail firms have targeted cyclists as valuable customers and installed lockers at stations and cycle racks in carriages. However, many cyclists still travel as old-fashioned and inconvenient.



Off track: A cyclist riding through the Forest of Dean yesterday. However, local environmentalists are critical of riders who choose to travel to the area in cars and vans, rather than using public transport. They say the tranquillity of one of England's oldest forests has been shattered by the increased traffic levels and fumes from vehicles. Photograph: John Lawrence

Death row millionaire may be set free

Ian Burrow

New evidence will be presented to a Florida court today which could help to free a British millionaire from death row.

Kris Maharaj, a once flamboyant businessman and racehorse owner, is facing death in the electric chair for shooting dead two Miami business associates in a hotel room in 1986.

But *The Independent* has learned that fresh evidence will be produced which, Maharaj's lawyers claim, links the killings to the brother of two men jailed for life for one of Britain's most notorious murders, when the wife of a newspaper executive was killed and her body fed to pigs in 1970.

Arthur and Nizamodeen Hosein each served 20 years for the murder of Muriel McKay and their notoriety was such that their waxwork images were displayed in Madame Tussaud's Chamber of Horrors.

Documents put into court in Miami show that lawyers representing Maharaj will say that



Kris Maharaj: Lawyers will name the alleged killer

plicated tale of drug-dealing and double-crossing which he believes will free Maharaj.

He said last night: "The more work we have done on Kris's case, the more obvious it has become that he was rail-roaded. I am convinced that we can show that he was not the killer."

Mr Stafford-Smith has gathered evidence which he says will demonstrate that Maharaj, now 58, was cleverly framed.

He says he will show that Adam Hosein, who was a business associate of the Moo Youngs, ran a business with Nigel Bowe, a high-powered Bahamas-based lawyer who, in addition to his other business interests, was also working for the Medellin drug cartel.

Bowe has since been jailed for drug trafficking, and Maharaj's legal team will argue that the murder of the Moo Youngs was the conclusion to a row over the laundering of drugs profits.

Maharaj's lawyers claim to have established that Mr Hosein, who was in debt to the Moo Youngs, went to the hotel

on the day of the killing armed with a silenced automatic pistol. They say they have also traced a telephone call he made that day to the room where the murders were carried out.

Like Maharaj he is Trinidad-born, of Indian extraction, and, according to the court papers, used to pose as Maharaj when he lived in England, in order to gain free entry to racecourses.

Adam Hosein was questioned but not charged over the McKay killing, which stemmed from a bungled attempt to kidnap the wife of Rupert Murdoch. Instead the 55-year-old wife of the newspaper executive Alick McKay was abducted.

Adam was with his brother Nizamodeen on the day of the murder and, after being called as a prosecution witness, told the court that Arthur had been sick in bed that day.

Arthur, now 58, is still being held in Britain and treated for mental problems while Nizamodeen has been released and has returned to Trinidad, where Adam is also believed to

be living after leaving America.

The main evidence against Maharaj was provided by Neville Butler, who claimed that he was forced into being an accomplice to the crime.

The prosecution claimed the double murder was carried out because Maharaj believed the Moo Youngs had cheated him in a \$400,000 property deal.

Maharaj said he had been lured to the hotel by Butler on the morning of the killing for a supposed business meeting. He said he was back at his office by the time the murders took place but an alibi witness was not called at the trial.

Following Maharaj's conviction, investigators from William Penn Life Insurance – the Moo Youngs had taken out \$1m life insurance policies – inquired into their deaths. They concluded that the killings were connected to a quarrel over the laundering of drugs money and that Maharaj had not been involved.

Following representations by Geoffrey Robertson QC, the

leading British human rights lawyer, the Florida Supreme Court accepted that there were entirely unfair and improper procedures at his trial, during which the judge was arrested on bribery charges.

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After 11 years on death row, Maharaj now has nothing to his name except his cheap watch and a few changes of underwear. He once owned a five-bedroom house with a swimming pool and two and a half acres in Fort Lauderdale.

He lived in Britain for 25 years after arriving from the Caribbean and set up a fruit import business which by the end of the 1960s was a multi-million pound concern.



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Banks urged to reveal Holocaust account details

Kathy Marks

British banks are being urged to follow the example of their Swiss counterparts and publish details of accounts into which Holocaust victims deposited their assets for safekeeping before the war.

Research by the Holocaust Education Trust, published today, concludes that there may be as much as £700m, at current values, lying in dormant accounts in British banks, merchant banks and other financial institutions.

The report also says that the Government made it virtually impossible for survivors to reclaim their money af-

ter the war, by drawing up rigid rules that were unsympathetically enforced.

Lord Janner, chairman of the trust, called yesterday for a list to be published of all the original account holders and for the funds to be returned, with interest, to their descendants.

He has written to Robin Cook, the Foreign Secretary, urging action, and plans to raise the matter at a meeting of the World Jewish Restitution Organisation in New York this week.

"I have asked the Government and the banks to make full disclosure and restitution so far as it is possible," Lord Janner said yesterday. "There is still time to make amends."

According to a Granada Television *World in Action* programme tonight, British banks have started examining their records. The Government has also begun its own investigation.

Britain, together with Switzerland and the United States, was regarded as a safe haven for Jewish assets.

The research was carried out after the trust was contacted by Holocaust survivors and their families who had read about the Swiss banking scandal and believed they had claims in Britain.

Its report says unpublished public records show that funds deposited here by Jews from Germany, Romania, Hungary and Bulgaria, frozen during

the war, were then used to repay British trade creditors of those countries.

Responsibility for reimbursing the account holders was transferred by treaty to post-war Communist governments, although the British authorities knew that they would not honour the commitment. Bank accounts of other European Jews were simply unfrozen, with little prospect that the money would be claimed.

When claims were made, the British government insisted on proof that account holders had suffered Nazi persecution before releasing the funds.

Many were rejected because there was insufficient evidence of the death

of a parent in a concentration camp. People who had been in labour camps, or marooned in Communist countries after the war, were turned down.

Relatives of one woman, Alice Kirkheim, who committed suicide in Berlin rather than face questioning by the Gestapo, told *World in Action* that they were informed that they could not claim her British savings because she had never been "deprived of liberty".

The report says British banks have complied rigidly with the law and there is no evidence that they refused legitimate claims. But as with the Swiss banks, the onus was on individuals to locate the money.

international

Mubarak and Hussein rally to Arafat's aid

Netanyahu and Hamas put squeeze on Palestinian leader ahead of US Secretary of State's visit

Patrick Cockburn
Jerusalem

In an attempt to get the United States to take the initiative in defusing the growing crisis in relations between Israel and the Palestinians, Yasser Arafat, the Palestinian leader, met King Hussein of Jordan and President Mubarak of Egypt in Cairo yesterday.

The meeting comes a few days before the first visit of Madeline Albright as US Secretary of State to the Middle East and amid reports that she will undertake no political initiative in the wake of the suicide bombs in Jerusalem last Thursday, which killed seven and wounded 192 people.

The aim of the mini-summit in Cairo will be to try to relieve some of the pressure on Mr Arafat, who is being squeezed between the conflicting demands of Benjamin Netanyahu, the Israeli prime minister, and Hamas, the Islamic militant organisation behind the suicide bombing campaign. For different reasons both Mr Netanyahu and Hamas would like to weaken Mr Arafat and undermine the Oslo accords.

"It is clear that the peace process and the occupied Palestinian territories are in a critical state," said Amr Moussa, the Egyptian Foreign Minister. He added: "Arabs have chosen the path of peace and they will stick to it, but it will have to be a peace that is just and balanced and based on implementing the principles agreed upon to [the 1991] Madrid [peace conference] and the Oslo accord."

Israel has arrested 170 Palestinians in the occupied territories while Israelis wait to see if there will be further bombs. The fact that three bombers took part in the last attack shows that Hamas is not short of volunteers willing to blow themselves up. Fearing further suicide attacks



Yasser Arafat: Attacks are arranged from outside Israel

few Israelis boarded buses during rush hour yesterday, though there are soldiers at every bus stop. Tourism, the largest industry in Jerusalem, has been badly damaged and most restaurants have empty tables and hotels empty rooms.

Mr Arafat says the attacks are orchestrated from outside the country, by which he means the Hamas leadership living abroad, but with control over some Hamas cells on the West Bank. In Jordan, security forces have arrested Ibrahim Goshie, the Hamas spokesman, who

is to 31 the number of Israeli troops killed in combat this year, in addition to the 73 paratroopers who died when two helicopters collided.

The losses have led to renewed calls in Israel for a unilateral withdrawal from Lebanon. Even Ariel Sharon, the general who led the Israeli invasion of Lebanon in 1982, wrote in the daily *Yediot Achronot* that one option was for Israel "to leave south Lebanon, according to a decision, plan and timetable of our own ... without any tie to talks with Syria, and without paying any diplomatic or security price to Syria in exchange for our pain in Lebanon."

Mystery still surrounds the circumstances in which a 16-member unit of Israeli naval commandos was ambushed between Tyre and Sidoo, off Lebanon early last Friday morning. Ten were killed, one is missing and four were wounded, one seriously. Only one commando survived unbound to call in helicopters for evacuation during which Major Dageesh Maher, a doctor in the rescue unit, was also killed.

The Israeli press speculated yesterday about whether or not Hizbullah knew the commandos were coming, allowing them to place a bomb which killed many of the soldiers early on in the engagement. Hizbullah says the raiding party was detected as it came ashore. Third Petty Officer Iman Ily is still missing presumed dead.

Mr Netanyahu has put forward many new policies to stem the suicide bombings in Israel or the fighting in Lebanon. If both continue then he may start to pay a political price. "Palestinian terrorists have become so sophisticated that after a month of intensive investigation, we know nothing about them," wrote Haim Shalev, a commentator in the daily *Ma'ariv*.

Although confident that he will face little pressure from the US to make concessions, Mr Netanyahu appears to be at a loss about how to stop the suicide bombing and the drain of casualties in Lebanon. Hizbullah guerrillas killed another Israeli soldier yesterday in an attack on a position in the Israeli occupation zone, bringing

has advocated more bombings.

Summarising the Palestinian leader's dilemma, Ziyad Abu Amra, a member of the Palestinian legislature and a specialist on Hamas, said: "If he cracks down on militants, he risks his popularity, and if doesn't, the US and Israel could decide to dispose of him."

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Shell shock: A fisherman clearing away some of the tons of rotting molluscs that litter the sandbanks during low tide in Le Croisic, Brittany. Millions of shellfish died during the hot weather and storms that swept western France this summer, creating an ecological and financial disaster for the local fishermen. Photograph: Reuters

Taiwan mourns loss of the little friend stolen by big brother

Aid is China's weapon to win the battle for influence and diplomatic recognition in the Caribbean basin

Phil Davison
Miami
Stephen Vines
Taipei

The Caribbean basin has become the frontline in lingering Cold War battles between two powerful countries half a globe away: China, and, well, China.

The larger of these countries, whose capital is Peking, is locked in a struggle for diplomatic recognition with its island neighbour, which thinks of itself as the Republic of China, but which most of the rest of the world knows as Taiwan. It is an often-sordid war of bribes,

threats, diplomatic pressure and high-level visits as China seeks to oust Taiwan from its remaining diplomatic strongholds while the latter fights back with hard cash.

The island of St Lucia in the Lesser Antilles was the latest battlefield. Its new Labour government last week switched diplomatic allegiance from Taiwan to China, saying recognition of the former was "no longer tenable under international law". But the true reason had much more to do with money.

China offered the island - population 150,000 - \$1m (£633,000) in immediate aid in the form of badly-needed school textbooks on an island where at least 30 per cent of people live below the poverty line. China and St Lucia also signed an economic co-operation agreement under which Peking will finance a new national stadium, a cultural centre, a four-lane highway and a free trade zone.

Explaining his government's decision to switch allegiance, the Prime Minister, Kenny Anthony, whose Labour Party ousted the long-ruling United Workers Party in June, said the role of Hong Kong was a factor. "Our commercial sector is now seeking new trading opportunities and new frontiers. Hong Kong is now the gateway to mainland China, with the vast trade possibilities which lie there. Taiwan can no longer provide the link with Hong Kong," he said.

In May, the Bahamas ousted Taiwan in favour of China after a Chinese-connected Hong Kong company signed a \$174m joint venture agreement for a container port project in Freeport.

But on the western rim of the Caribbean basin, in Panama and Nicaragua, Taiwan is faring better. Taiwanese President Lee

Teng-Hui is in Panama this week, heading a 500-member delegation to a "Canal Congress" aimed by Panama at showing the world it can administer the canal when the United States hands over control at the end of this year.

As a result, Peking boycotted the Congress - also financed by Taiwan. Panama now fears Chi-

With St Lucia gone from the fold, Taiwan now has diplomatic relations with only about 30 countries, compared with about 160 for Peking. South Africa has said it is switching to China at the end of this year. Half of those who still recognise Taiwan are in the Caribbean or Central America, but several of these are re-appraising the situation, par-

and Development Fund established last year with more than \$400m in the kitty. It does out soft loans, project financing for small and medium sized companies and has Costa Rica - Taiwan's biggest diplomatic ally - as its leading recipient.

"Taiwan can only pay money to buy friendship," said Tim Ting, a leading political commentator. China, on the other hand, can offer its far bigger market, political power as a permanent member of the United Nations Security Council and its assistance in supplying arms.

However, while Taiwan is losing its smallest friends to the highest bidder it is actually making discreet but more substantive diplomatic progress with the bigger nations. European countries, including Britain, which do not recognise Taiwan, have nevertheless upgraded the level of their semi-official diplomatic representation.

"It's a dilemma," said Leng Tse-kang of the Institute of International Relations, Taipei's main foreign policy think tank. "Do we increase numbers or enhance the substantive relationships with countries which do not recognise Taiwan?"

He thinks that the substantive relationships are more important, but the Taiwanese government is rather number obsessed.

It proved impossible to find a foreign ministry official who would discuss how St Lucia got away. Although the country is tiny, its very name seemed to send terror down the spines of officials who were most reluctant to say a thing about the loss of this little friend.

The sensitivity is understandable, coming from officials who regularly have to do battle just to be able to use their country's name at international gatherings and suffer the indignity of mass boycotts every time they show up anywhere, as President Lee Teng-Hui is finding this week in Panama.



"With St Lucia gone, Taiwan has diplomatic relations with only 30 countries to Peking's 160"

ne, the canal's third biggest user in numbers of ships, may boycott the canal itself.

To cover their bets some 50 Taiwanese investors are in Nicaragua this week looking into financing a project to rival the Panama Canal. The plan is to build an "intercoastal corridor," linking lakes, railways and roads between the Atlantic and Pacific oceans. Such a corridor could save container shippers several days, compared with sailing further south to Panama according to the project's supporters.

Particularly since the handover of Hong Kong to China.

In the Caribbean, Taiwan is left with Dominica, the Dominican Republic, Grenada, Haiti and Saint Christopher and Nevis. The African list, headed by Senegal, Liberia and Chad, is also something less than big-time. In Europe only the Holy See, which has problems with China's establishment of a rival Catholic church, recognises Taiwan.

Heading Taiwan's battle against diplomatic isolation is the International Co-operation

(CLICO), which is currently the

third biggest user of the canal.

CLICO is also involved in a project to build a bridge across the Panama Canal.

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India grieves for Mother Teresa as Vatican is urged to make her a saint

Andrew Gumbel
in Rome
and agencies

As thousands of people flocked to pay their last respects to Mother Teresa in Calcutta, the Vatican was inundated this weekend with demands from bishops, priests and ambassadors to declare her a saint as soon as possible.

"Your Holiness, proclaim Mother Teresa a saint, immediately," read a telegram from an Indian priest called Bro-

er Renato. "She was a saint in life and she will be a saint after her death," pronounced the United States Ambassador to the Holy See, Raymond Flynn.

The Peruvian bishop Ricardo Flores announced he would write to the Pope urging him to begin the beatification process straight away.

According to Vatican rules, a person may not be considered for the long and tortuous process of sainthood until at least five years after his or her death. It is very much alive.

In Calcutta, church bells pealed and anguished wails rose from mourners as the wooden coffin holding Mother Teresa's body was carried from a small chapel to a larger church, where her admirers will be able to pay their final respects.

Missionary nuns and altar boys carrying candles and a crucifix surrounded the open coffin as pallbearers placed it in an ambulance for the trip to the church where Mother Teresa, who died on Friday aged 87, will lie in state for the next week. Crowds broke through a police barricade when the body appeared.

The coffin lid, with a silver plaque that read: "Our dearest Mother Teresa, RIP," was also placed in the ambulance before it sped 3 miles on roads cleared of traffic to St Thomas's, one of

the oldest and largest Catholic churches in Calcutta.

People filed through the church, stopping for a few moments before the Nobel laureate's body, which lay under glass on a four-foot platform draped in white and blue cloth – the colours of her Missionaries of Charity order. Air conditioners



Crying to heaven: Mourners grieving as Mother Teresa's coffin passes by en route to St Thomas's church in Calcutta

Photograph: John Moore/AP

Nuns sitting with the body of Mother Teresa as it lies under glass in advance of her funeral on Saturday. Photograph: AFP

West struggles to recapture lost ground in Bosnia

Rupert Cornwell

After a series of missteps and muddled signals, the Western allies are desperately trying to reassert their authority across Bosnia and ensure that next weekend's municipal elections, seen as critical to the fragile credibility of the Dayton peace accords, go ahead in as near normal conditions as possible.

Speaking in Brussels on Friday, the US special envoy to

Bosnia, Bob Gelbard, insisted that the internationally supervised elections would go ahead on 13 and 14 September, irrespective of whether hardline Bosnian Serbs, led by their former leader Radovan Karadzic in Pale, carry out a threatened boycott.

He also vowed to step up pressure to bring Mr Karadzic, top of the list of wanted Bosnian war crimes suspects, and henchmen like General Ratko Mladić, to justice before the international tribunal in The Hague.

But that catalogue of good intentions masks clear differences between Washington and some of its European allies (though not Britain, with whom "complete agreement" reigns on Bosnia policy, according to the Foreign Secretary, Robin Cook, after a meeting with Mr Gelbard in London on Thursday).

The US envoy yesterday urged Western Europe to take

a "much tougher attitude" towards Serbia and its President Slobodan Milošević, Mr Karadzic's prime patron and protector in Belgrade. He accused Mr Milošević of giving "increasing, overt support" to the Bosnian Serb hardliners, and of "lying" over his commitment to the Dayton deal. The Serb president was merely paying lip service to the 1995 accords, in order to secure increased Western economic aid.

To show that it too meant business, Mr Gelbard said Europe should follow America's example by stepping up trade sanctions against Belgrade, putting full diplomatic relations on ice, and denying landing rights to the Yugoslav national airline JAT. In theory at least, this should intensify pressure on Mr Milošević, and weaken Mr Karadzic in his own power struggle with Brijana Plavšić, the president of the

Bosnian Serb republic, who is supported by the Nato allies.

Unfortunately, Washington's stern talk has been undermined by its deeds – notably the seizure of and then withdrawal by US peace-keepers from a guard post at a bridge at Brcko in northern Bosnia, and a separate decision to return a television transmitter which had been broadcasting hardline anti-Plavšić propaganda to pro-Karadzic police.

Both were about-turns adding to the impression that the US remains reluctant to take really draconian measures against the hardliners – up to and including an attempt to arrest Mr Karadzic – which could provoke the bloody confrontation that has not so far occurred in Nato-patrolled Bosnia.

Such a clash could cost the lives of American troops, and rekindle Congressional pressure for speedy withdrawal of the US contingent. This in turn would doom the entire peace-keeping operation.

Meanwhile, General Wesley Clark, the supreme Nato commander and a key American negotiator at Dayton, met Mr Milošević in Belgrade last week to protest over the growing use of Bosnian Serb violence against the peace-keepers. He warned that, if necessary, they would use deadly force to protect themselves.

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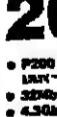
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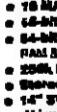
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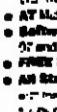
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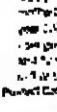
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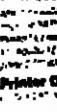
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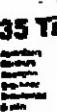
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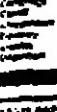
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international

significant shorts

Kenyan police tear gas stops opposition rally

Kenyan police detained opposition MPs, broke up an open-air market and fired tear gas in the city of Kisumu yesterday to prevent an anti-government rally from taking place. Anti-riot police and a paramilitary unit sealed off the town centre and blocked the main road from the airport, where they held up at least five opposition MPs associated with the National Convention Assembly reform lobby. The NCA is campaigning for legal and constitutional reforms before elections later this year.

The rally in Kisumu, an opposition stronghold 190 miles (300km) north-west of the capital, Nairobi, was supposed to be the first in a series of demonstrations announced earlier this week. Reformists want President Daniel arap Moi, 74, in office for 19 years, to repeal colonial-era laws and enact constitutional reforms, without which, they argue, free and fair elections are impossible.

AP - Kisumu, Kenya

Crucifixion for UAE murderers

A court in the United Arab Emirates has sentenced two men to be crucified in public and then executed for a series of murders, a justice ministry statement said.

It said that Majid Fakher Hussein Majeed, a UAE national, and Abdul Mehdi Karim Mushtaq, an Iranian, would be crucified today and executed tomorrow morning near the central prison of the oasis town of al-Ain.

The two had murdered five people in separate cases prior to 20 July 1995. The men lured the victims into remote desert areas, robbed them and then shot them dead, the ministry statement said.

Reuters - Abu Dhabi

Comoros fails to subdue rebels

More than 30 people, including soldiers and secessionists, died in Comoros in a failed attempt to crush a separatist rebellion on Anjouan island, a Comoros Red Crescent official said yesterday.

The official spoke by telephone from the nearby island of Moheli shortly after a French radio station reported a preliminary death toll of 40 Comoran soldiers killed in the fighting on Wednesday and Thursday. The government of the embattled President, Mohamed Taki, has cut direct telephone links with Anjouan and has censored news about the fighting on Comoran state radio.

Reuters - Moroni

14 die on Kashmir borders

Heavy artillery exchanges between Indian and Pakistani border guards across the divided Himalayan state of Kashmir have killed 14 Pakistani villagers and injured 40, military officials said. They said that the casualties were in the village of Muzaffarabad and the Neelam Valley sector, which have been under heavy fire by Indian army artillery for the past two days.

AP - Muzaffarabad, Pakistan

Hurricane Erica all at sea

Hurricane Erica stalled in the Atlantic Ocean, as nervous Leeward Islanders waited to see whether it would turn its 85 mph winds away from their shores. At 11am local time, Erica's eye hovered 220 miles north-east of San Juan Puerto Rico. An expected north or northwesterly tack would take the storm safely away from land.

Reuters - San Juan

Follow the Inca way, urges Peru

Peru urged the 90 countries at the eighth International Anti-Corruption Conference to adopt ancient Inca ethics as their guiding principles in fighting the modern "scourge of corruption". "We want to forge a new millennium based on the three Inca rules: do not steal, do not lie, do not be idle," said Blanca Colom, co-ordinator of the event.

Reuters - Lima

Hot autumn: European states face testing times as they prepare for convergence

Italy's body politic gets in shape for Emu

Andrew Gammel
Rome

Italy's Prime Minister, Romano Prodi, has a problem. If his country is to stand any chance of qualifying for the single European currency on time, he has to make painful cuts in welfare and pensions provisions by the end of the year. He understands the need for this, and so do his partners in government.

The trouble is, the government relies on the votes of the far-left party Rifondazione Comunista to make up a majority in the Chamber of Deputies, and Rifondazione - a notoriously unreliable negotiating partner at the best of times - is refusing to countenance any cuts in pensions. No wonder the commentators are predicting a "hot autumn".

This being Italy, however, the situation may not be as intractable as it looks - and certainly not as simple. In the past few days Mr Prodi has received an unexpected offer of help from the opposition leader, Silvio Berlusconi. We will help you push through welfare reform, Mr Berlusconi promised, because there's no point sacrificing the future of the country for the petty squabbling of party politics.

A nice offer, was the reaction to government ranks, but can it be trusted?

And what does Mr Berlusconi hope to gain in return?

The scene has been set for three months of high political intrigue and heart-stopping games-playing, in which no scenario seems too ridiculous and no political gambit too ambitious. The general assumption is that Mr Berlusconi wants an amnesty on corruption cases in the courts - thus getting himself and a number of key colleagues out of some potentially very damaging trouble connected to his First invest business empire.

That prospect does not please Italy's magistrates, who last week requested that Mr Berlusconi's lawyer and

political henchman, Cesare Previti, have his parliamentary immunity lifted so that he can be slung in jail on charges of corruption and perverting the course of justice on behalf of his masters.

Nor does it please Mr Berlusconi's political partners, who do not see why they should have to bail out the government on a key plank of economic policy just to suit Mr Berlusconi's private business interests.

Throw into the equation the continuing attempts by parliament to reform Italy's unmanageable system of government - with all the petty interests that generates - and you have the ingredients for a very complex scenario indeed.

What will be the outcome? These are the most plausible options:

1. Mr Berlusconi gets his amnesty, or whatever it is he is looking for, Mr Prodi gets his welfare reform and the government lives to fight another day, albeit heavily weakened.

2. Mr Berlusconi supports the welfare reform but the Prodi government, forced to admit that it has lost its majority, resigns - leading in all probability to general elections.

3. Mr Prodi drops Rifondazione and invites some part of Mr Berlusconi's coalition into the government.

Number three has been ruled out so far by most government leaders but may yet become a last resort. Number one sounds a bit too cushy to be realistic. Number two is perhaps the one to bet on: Italy will get its welfare reform and qualify for the single currency, in whatever form it takes, but at the price of yet another government crisis and, very possibly, the third general election in four years.

The country may have exceeded all expectations in getting its public finances into shape for Europe, but politically it is still a long way off anything that could be described as maturity.



Crowning glory: Claudia Trieste, 18, from Gioia Tauro in southern Italy, who won the Miss Italy title at the weekend. But will her country get in shape in time to qualify for the Emu beauty contest? Photograph: AFP

Jobs crisis threatens plans for the single currency

Katherine Butler
Brussels

European Union leaders are preparing for a special summit to address Europe's jobs crisis amid growing fears that failure to shorten the 18 million-strong dole queues could derail plans to launch the single currency on target, 16 months from now.

As Europe heads into an defining autumn for its most ambitious project, pressure to do more than wring hands about the unemployed is intensifying with the deadline for selecting the first batch of single currency members now just eight months away.

Decisions about how the euro is governed will have to be addressed when EU finance ministers meet next weekend while the European Commission's economic forecasts are due towards the end of next month. These will indicate how Brussels sees deficits for 1997 - the year on which hopefuls will be judged - shaping up. Britain, now expected to meet the Maastricht entry conditions, will be asked to indicate by the end of the year whether it will definitely opt out of the first wave.

Meanwhile, the French preoccupation with its own critical unemployment problem has forced jobs to the top of the EU's agenda. Leaders agreed to the special summit after the Socialist Prime Minister, Lionel Jospin, threatened to plunge the entire project into crisis at Amsterdam in June. Mr Jospin eventually agreed to sign up to the harsh public spending limits required by Economic and Monetary Union (Emu) after winning a promise that unemployment would be tackled as a priority.

But there is deep reluctance to play up hopes for the Luxembourg summit scheduled for mid-November, reflecting the acute dilemma facing EU governments.

Single currency enthusiasts

are aware that "selling" the euro to a sceptical public means that they must convince people it will bring prosperity and jobs. But the harsh disciplines imposed by monetary union rule out spending more money on job creation

for Emu candidates and may even propose shrinking its own contribution to the EU budget at the next meeting of finance ministers on 12 September.

An ambitious timetable for enlargement of the bloc into eastern Europe, meanwhile, has been mapped out with negotiations due to begin with some or all of the 10 applicants from January when Britain takes over the EU presidency.

The European Commission has recommended accession negotiations with Poland, Hungary, the Czech Republic, Slovenia, Estonia as well as Cyprus, but governments have only until the end of the year to overcome deep divisions on the pace of accession and on which candidates they want open talks with.

Here again by failing to match their political rhetoric on enlargement with realistic groundwork the EU leaders have stored up trouble. At Amsterdam they shelved decisions on the internal reforms which must precede enlargement.

Negotiations on Agenda 2000, the sweeping package of reforms designed to reform the bloc's budget and its costly farm and regional development policies ahead of enlargement are also about to begin but the signs are not promising.

Agriculture ministers meet in Luxembourg from tomorrow for the first round of talks on a radical farm reform plan, but those countries whose farmers benefit most from handouts, including Germany, have already voiced firm resistance to Commission proposals to slash guaranteed prices by 30 per cent.

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report,
yes for a
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Britain

Britain, says the Demos think-tank, should glory in its modernity, its success in sport, trade and finance, its creativity and diversity
Photomontage: Julian Saul

We're confused about who we are and so other countries think the worse of us.

Mark Leonard, author of an important new report, argues for a new national identity



Britain needs a new brand image

In the past Britain's image abroad was second to none. It might often have been resented but its industrial and military prowess was always respected. Today, that identity is confused and outdated, or, in many parts of the world, simply non-existent. Poor weather, unfriendly and arrogant people, sloppily food, terrorism, poverty, draughty houses, ubiquitous dirt and arcane rituals are the key images that foreigners have of Britain.

Our economy and companies suffer from an equally negative image. Despite 18 years of Thatcherism, Britain is seen as strike-ridden by nearly half of Fortune 500 companies. Under 40 per cent of Japanese companies think Britain encourages free enterprise. The image of our companies lags far behind the rest of Europe, the United States and Japan, scraping barely half the Japanese score on every attribute. The general image of Britain is as a country whose time has come and gone.

But if our image abroad is poor, it simply reflects our own confusion about what being British stands for. The first thing to remember is how we got here. Far from being the product of 1,000 years of unbroken continuity, Britain and Britishness were constructed in the 18th and 19th centuries. A combination of patronage, common threats and consciously invented national institutions and traditions such as parliament, the monarchy and the British Army shaped a powerful and compelling identity.

Today there is a lack of resonance in the idea of Britain as a land of great and stable institutions, the imperial nation, the industrial powerhouse, home of the English language, the Protestant nation, the inventor and dominator of sports. Faith in our own institutions has plummeted. Barely 30 per cent think Britain will have a monarchy in 50 years time. Only 10 per cent have confidence in parliament. The Empire, which barely 50 years ago boasted 800 million people, today includes only 168,000 (excluding the UK population). Only 1 in 20 is proud of our economic achievements. Many companies, such as British Telecom and British Home Stores, are so embarrassed by their Britishness that they have dropped the British from their names. Dixons' own brand MATSUI is meant to sound Japanese. Protestantism is on the wane and we are regularly beaten at the sports we invented.

But coinciding with this trauma has been an explosion of national confidence in arts, fashion, technology, architecture, design – even our

sports are undergoing a revival. A gulf is developing between the reality of Britain in the late 1990s and our image abroad and at home. It is time for Britain to renew its identity.

The key argument is economic. Most of us will pay more for products from some countries than from others. We pay over the odds for consumer electronics from Japan, food products from Italy, engineering from Germany. A survey of 200 of the world's largest companies showed that 72 per cent see national image as important when they make purchasing decisions.

Many people object to the idea of nations having a brand. They claim that national identities are complex and that it would be wrong for anyone to manage them. But nations have been recreating their identities

alldy, tilted diplomatic envoys, tourist advertising displays of thatched pubs and classic cars and card-board cut-out Beef-eaters at trade fairs.

The fourth story is of a nation of buccaneering entrepreneurs. Napoleon's "nation of shop-keepers" comment is more true today than ever before. Britain needs a story which makes sense of where we have come from, reflects the best of what we are and makes a strong statement about where we are going. Our research found six stories which fit these criteria.

The first is of Britain as the global hub, a place where goods, messages and ideas are exchanged, a bridge between Europe and America, North and South, East and West. Britain is the fifth largest trading nation in the world, exporting more per head than the United States and Japan. The

houses most of the world's religions. Indian restaurants now have a higher turn-over than coal, steel, and shipbuilding combined.

The fourth story is of a nation of buccaneering entrepreneurs. Napoleon's "nation of shop-keepers" comment is more true today than ever before. Britain needs a story which makes sense of where we have come from, reflects the best of what we are and makes a strong statement about where we are going. Our research found six stories which fit these criteria.

The fifth story is of Britain as the silent revolutionary, constantly inventing new forms of organisation and new ways of running society. Britain has led the world in socio-violent change, quietly creating new ways of life then re-inventing them.

Britain was first in – and first out – of the industrial revolution. It was the first country to carry out democratic nationalisation and privatisation. British-style constitutions and parliamentary democracy, army, welfare states, universities and a host of modern sports have been invented here and copied throughout the world.

The final story is of a nation of fairplay and support for the underdog. The Welfare State and modern charity are central to the way Britain sees itself and conducts its business. Live Aid, Band Aid and Children in Need have pioneered new forms of fundraising. Half of all adults take part in some form of voluntary activity each year.

Together these stories provide a toolkit for renewing Britain's identity. Just as the identity forged 200 years ago was born out of public debate, today we need the widest possible discussion of what Britishness is. But as well as a common story, we need strong mechanisms to project and manage our identity effectively.

The Prime Minister should chair a Vision Group to agree and oversee the British Brand. A working party should be established with representatives from all the agencies involved in promoting Britain abroad to ensure that consistent messages are used. A Promoting Britain Unit should be set up in the Cabinet Office to track the performance of the British Brand. It should disseminate best practice, commission activities, encourage partnerships and provide support for cities and regions.

Agencies projecting Britain to the world should adopt new approaches to recruitment and organisation to become more entrepreneurial, more creative, more representative of Britain's contemporary diversity.

The millennium provides an ideal opportunity to project a new image of Britain to the world. There are many powerful ways to project these new stories – our trade marks for the next century. For example we could make points of entry and exit into Britain express our renewed identity by housing art exhibitions, museums and libraries in airports and stations, so providing visitors with a stunning welcome to the country.

In the future the main ports of entry will be via on-line computers. We should create a Digital Britain web site which

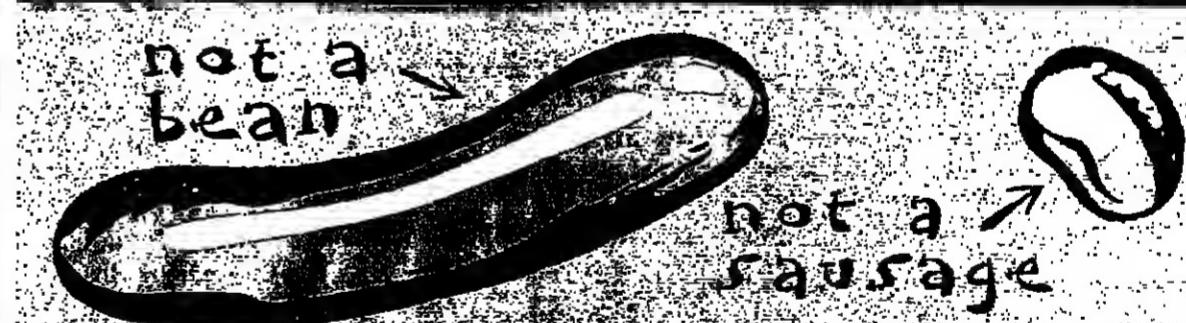
includes art and discussion groups alongside detailed listings and tourist information.

Our government buildings around the world should be redesigned to act as a showcase for Britain as a creative island, reflecting the best of British design and architecture. We could also review stamps, letterheads and official documents to achieve a better mix between old and new. The Government should issue a challenge to highlight the best educational practices and institutions, the most innovative social entrepreneurs and the best city improvements using

our heritage and our future. Two hundred years ago our ancestors constructed a new identity that proved enormously successful. They pioneered new institutions, new images and new ways of thinking, free from sentimental attachment to the traditions they inherited. Today we need to do the same again.

"*Britain: Renewing our identity*", by Mark Leonard (£5.95), is published tomorrow by Demos, 9 Bridewell Place, London EC4V 6AP. Tel 0171-353 4479. The project was funded by the Design Council.

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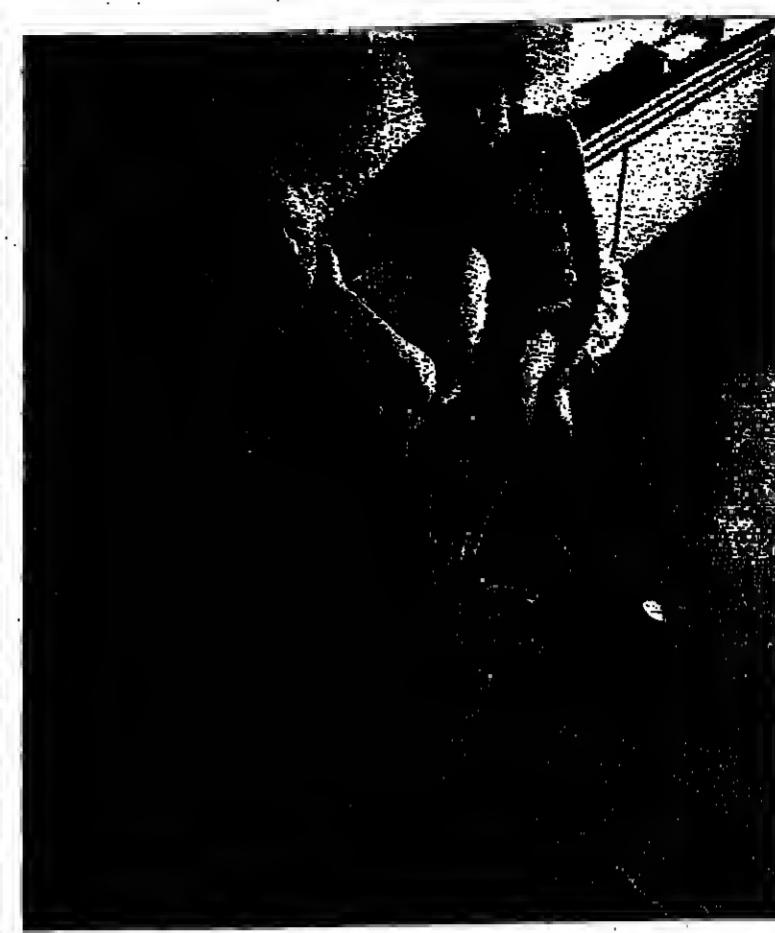
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arts



Caryl Churchill's 'Blue Heart' (left) picked up a First Fringe at Edinburgh this year, while audience's queued round the block to see Mark Ravenhill's 'Shopping and Fucking' (inset); but Out of Joint, the company behind these productions, cannot survive without funding, say its founder Max Stafford-Clark and producer Sonia Friedman (above)

Photographs: Emma Boam; Gérard Lewis; Tristram Kenton

The Ministry
Interview

Deborah
Reese

SARAH
BRIGHTMAN

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Making drama out of a crisis

It is possible to do good work within the establishment. But if you want to do something exceptional, that possibility is increased if you create your own company," Max Stafford-Clark should know. One of this country's most important theatre directors, he has done it not once, but twice.

In 1973 he, David Aukin (now head of Channel 4 Film) and the playwright David Hare co-founded *Joint Stock*, a uniquely collaborative company which pioneered a collective approach to the creating and performing of new writing by such major talents as Hare himself, Caryl Churchill, Barrie Kefte and Howard Brenton. Twenty years later, Stafford-Clark did it again when he left the Royal Court and co-founded Out of Joint. "I did it in a state of innocence, which is just another word for ignorance," he comments wryly. "I don't think I was quite aware of the risks."

Just three and a half years later, the company has made a lasting impact on new writing in this country, commissioning and touring new plays, several of which have gone on to international success. They have been nominated for 20 awards and walked away with 13 of

them. Long-lived companies on a similar scale like *Theatre Complice* or *Cheek by Jowl* would be satisfied with one hit at a time, but a quick glance at this year's activities alone gives you some impression of the extraordinary scale of Out of Joint's work.

In January, New York critics were heaping hyperbolic praise upon Sebastian Barry's *The Steward of Christendom*. The subsequent sell-out season at Brooklyn Academy of Music, the city's most prestigious venue had ever booked outside of Peter Brook's *Mahabharata*. *Steward* had already played London, Dublin, Brighton, Liverpool and Luxembourg, not to mention Australia and New Zealand. Back home, audiences were queuing round the block for Mark Ravenhill's first full-length play, *Shopping and Fucking*. Meanwhile, the company was already in rehearsal for the tour of a third party, April de Angelis's *The Positive Hour*.

Their annual turnover is edging towards £1m. Their guaranteed annual subsidy from the Arts Council? A paltry £65,000. That pays for just two salaries and a marketing strategy. What about applying to the National Lottery? The arts are swimming in money these days, aren't

they? If you have a building to upgrade, the answer is probably yes, but a company committed to touring has no need for a building. Under existing rules, lottery money can be poured into bricks and mortar but cannot be spent on the real business of paying actors and writers to put up plays.

At the Arts Council's own suggestion, Out of Joint did apply for money from the much-vaunted, one-off Arts for Everyone scheme. They were turned down.

Admittedly, you have to be an optimist to work in the arts in this country, but there are limits. As far as Stafford-Clark and his producer Sonia Friedman are concerned, they've reached them. "We can't go on," she says simply. "We keep falling at the final hurdle. Her frustration is more than understandable. Theatres need to book seasons way in advance and the climate demands long-term development strategies, but with no guaranteed fund-

ing, planning and structuring commissions and productions for an independent company like this is well-nigh impossible. Their track record is a testament to their tenacity. "We've had a lot of patience from the theatres but we simply cannot match the administrative support of companies like *Complice*." Comparisons are, of course, invidious, but it is salutary to note that they receive about a third of *Complice*'s funding. The success of *Steward* has kept them afloat for a year but a new writing company cannot rely on commercial success for its survival. Friedman has conjured up £150,000 from foundations over the years but if you're presenting challenging plays with titles like *Shopping and Fucking*, corporate sponsorship is out of the question.

Back in the glory days of the Seventies, *Joint Stock* was awarded annual funding within 18 months. When Stafford-Clark and Friedman dreamed up Out of Joint, they met the Arts Council's head of drama. Their ambition was to be fully funded within three years. Four years on, they are no nearer that goal. In the interim, they had to go cap in hand to persuade the (separate) touring department to fund each individual play. Fortunately, that department has continually smiled upon them, hence their continued existence. Actors are contracted on the basis that the company hopes to receive money. They have an education

programme running alongside each production but no money with which to pay anyone to coordinate or run it. This is no way to run a business.

Their other means of survival has been a series of co-production deals, whereby other theatres help finance and resources productions. They have played 54 weeks at the Royal Court, an advantageous situation which has its problems. Unlike companies with a permanent style which audiences recognise and return to, a new writing company reinvents itself to cater to each playwright it produces. Audiences have little sense of its identity or even its name, which has led many to see successive Out of Joint shows like *The Libertine*, *The Steward of Christendom* and *Shopping and Fucking* as Royal Court successes which is only partly true.

The last of those has just ended a West End transfer, the idea of which met with prophecies of doom from many industry insiders. At the height of the heatwave, it played to 92 per cent capacity. It then headed off for similar success at the Edinburgh festival where Out of Joint also opened Caryl Churchill's double-bill *Blue Heart*, picking up rave reviews and a Fringe First.

The rampant diversity of those plays in both tone and content, not to mention the difference in terms of experience of their authors, is instructive. One of the justifiable criticisms levelled at Stephen Daldry's

allel (though radically dissimilar) lines.

Stafford-Clark agrees that much of his artistic vision is a continuation of his *Joint Stock* days. "The ethos and aesthetic are similar... a curiosity about the world, the observation of life. That's what I learnt from Bill Gaskill, that research and study of detail does pay off in the writing and acting." He contrasts it with the New York scene. "The trouble there is that everyone's ambitious. That's fine. Everyone's talented, fine. And that's all it is. There has to be another ingre-

ment offered. Friedman looks back at their accomplishments with an almost defiant pride. "We have very quietly reaffirmed the importance of new writing around the country. That hasn't been spotted. Outside London, theatres see us on a level with *Cheek by Jowl* or *Shared Experience* which have been going for 13 years or more. We've done it in two or three years. Bookers don't ever ask us 'who's in it?' They trust our judgement."

Stafford-Clark, too, adopts a confident tone. "The definition of cynicism is when you try



and arrange new work to suit the public. Neither *Steward*, a dangerously untheatrical work about an obscure moment in Irish history, or *Shopping*, a dangerously provocative play about young people doing horrible things, seemed in prospect to have their finger on the pulse of fame and popular success." He pauses, then adds, possibly nodding towards the Arts Council: "Doctor Success is a cure for all evils in the theatre but he doesn't come all the time, but that's the way of it." *Shopping and Fucking* is on tour; *Blue Heart* is at the Royal Court Downstairs at the Duke of York's, London WC2 (0171-565 5000) from 17 Sept-18 Oct and then tours.

The Impact of Fees

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THE INDEPENDENT

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Musical splendour on a day of mourning

Music played an important part in the funeral service of Diana, Princess of Wales. The selection was iconoclastic and movingly in tune with the occasion. By Anthony Payne

In what was the most deeply impressive and, indeed, harrowingly emotional public event any of us are likely to experience in our lifetimes, it was touching to observe the part that music played in the proceedings. The Westminster Abbey funeral service, which had been designed to reflect Princess Diana's special significance for all of us, assembled an iconoclastic sequence of pieces drawn from sources as widely contrasted as the grand, formal and traditional Purcell and Croft, 19th-century hymnody, the romantic and modern choral traditions, and contemporary pop in both hymn and song.

It was populist, but never cheap, in content, and it was the reworking of Elton John's famous "Candle in the Wind", bravely sung by its composer under great emotional stress, that captured the imagination of most of the people interviewed after the event on BBC1. This was understandable, but no less movingly in tune with the occasion were the closing sequence from Verdi's *Requiem*, John Tavener's *Song for Athene*, whose incandescent, almost Holstian climax brought the service to a majestic close, and Holst's own *vow to thee, my country*, one of the Prince's favourite hymns. The music director Martin Neary deserves greatest credit for the musical splendour of the service. Later in the day, a change of pro-



gramme, which must have chimed in with the mood and feelings of music lovers everywhere in a deeply stirring day, brought Faure's *Requiem* to Saturday evening's promenade concert, a tender and intimate tribute to Princess Diana. The broader dramatic canvas of the final section of Verdi's *Requiem* had provided a fitting contribution to her funeral service, but now Faure's touching masterpiece exerted its extraordi-

nary power to salve and transfigure. Galvanised by the poignancy of the occasion, David Atherton, with the BBC National Orchestra and Chorus of Wales, City of Birmingham Symphony Chorus and soloists Judith Howard and Neal Davies, drew a marvellous performance of the work. This is music whose subdued poetry is never passive, and its glowing spirituality stems from a position of creative strength. Ather-

ton and his forces responded with the paradoxical combination of mildness and forthrightness, reticence and passion, which reveals the heart of Faure's vision. A powerful drama could quickly erupt out of lyric gentleness in the middle of the "Libens Me" and just as swiftly retire into civilised mourning. The interpretation as a whole gripped the imaginations of those many listeners who might have felt they had little more to give after the day's highly charged events.

Nor was there to be any let up after the interval, for the electrifying intensity of the young Rachmaninov's First Symphony drew playing of overwhelming onset and emotional directness. This is an astonishingly original work, and that perceptive analyst Robert Simpson made a convincing case for it being the greatest of the composer's symphonic works. Its wild unorthodox - a scherzo which magically opens as if it is a slow movement, an apparently triumphant final coda which turns on its axis to become a tragic calamity and a first movement of unexpected yet superbly controlled contrasts - kept us on the edge of our seats. And so did this commanding interpretation.

John Tavener's *Song for Athene* is available on the CD "Innocence" (Sony Classical SK66613).

Oh God, n

Wrapped up in her gift

The Monday Interview



Deborah Ross
talks to

**SARAH
BRIGHTMAN**

Sarah Brightman's had her hair cut off. It's now a short, Betty Rubble-style bob that goes straight to the ears then flicks up with a hit of a whoosh! Very perky. And she likes it a good deal, too. "I feel much more open, much more free," she says. "I had come to rely on my hair." You hid behind it, you mean? "Yes. It was the first thing people always noticed about me. They were always saying: 'Sarah, you have such beautiful, luscious hair.' Lucky you! Yes. But it was beginning to thin."

She is wearing quite a saucy little chocolate, lacy shift thingie under a black coat-dress. Her shoes are flat, black lace-ups. Overall, the effect is part goer, part schoolgirl. She isn't wearing any make-up and looks much the better for it. Quite childlike and pink-cheeked and normalised. She is much sexier when she isn't trying to be sexy than when she is. Could we photograph her like this?

No, she says, she'd rather not. Her fans, she continues, would be horrified. They expect her to be glamorous and mascaraed and saucer-eyed and big-haired. She'll be wearing wigs on stage. "My fans want me with my hair. They love the image. This is the thing about the work I do. A lot of it is to do with fantasy. I don't want to see pictures of Hollywood stars in their dressing gowns taking out the rubbish. It ruins the fantasy."

Ask those who do indulge in the fantasy what they think of Sarah Brightman, and the picture that emerges is that she's a bit of a cunning man-trap with a (former) frigid wig hair-do, an unnaturally high voice and something of a sticky-out, looney-eyed look which may or may not be the price you pay for having had sexual relations with Andrew Lloyd Webber.

Of course these are not nice things to say about anybody. But what do I say now I've met her? I say it's not hard to see why she arouses suspicion, frankly. By this, I don't mean she is unpleasent. Or thick. Or boring. She is actually quite intriguing in a New Age, cut-with-the-fairies sort of way.

Her father committed suicide five years ago but that's OK, she says. "If he thought it was the right thing to do it was, and I've only ever had good feelings about it." He was a property developer who built up a successful company from nothing. He was, she says, a very intelligent man but quite introverted. If he expressed himself, he did so through his business. When he was found dead in a fume-filled Gulf GTI, he'd been divorced from his wife, Paula, for five years, and his business was going down the tubes. It was the last that did him in, she reckons.

"He was a very intense man who might have had a lot of anger in him. He was very shy. He could listen and digest things but he couldn't ever come out and say what he thought."

"He was obsessed by his business. When everything he had worked for tumbled, the thought of getting it back was something he didn't want to deal with. Knowing him, he thought about it very carefully. He thought, if from now on I'm going to be a misery to myself and others there is no point in being here. He needed peace. He was tired. He did the right thing, and an incredibly brave thing. Priests are going to want to kill me, aren't they? But I can't in any way condemn him. When he died, I had no angst, only a good feeling. It wasn't horrible." Does she remember the last conversation they ever had? "Yes. He said: 'Pop records, please don't do any more pop records.'



Sarah Brightman: My fans want me with my hair. They love the image. A lot of it is to do with fantasy*

Please do classical. It's what you do best."

It might seem like a cold response but perhaps she just won't allow herself angst because it would get in the way too much of her Gift. She hangs on and on about being An Artist with A Great Gift. (Of course she is referring to her voice rather than the £2m divorce settlement she got from Andrew.)

Her marriage to Andrew failed because of the Gift. He wanted a wife and babies. She wanted to tour and record then tour some more. "If you know you have A Great Gift, you have to follow it." She was teased a lot at school

not because she was irritating, but because "I was very gifted and there was jealousy". Of course, I do not have the heart to tell her that when her Gift goes on my CD player the cats shoot right out of the cat flap and refuse to return. Cynics carp that if Sarah hadn't married Andrew she wouldn't have amounted to much. Preposterous, I know. And as she stresses: "What you have to remember is that I was already established before I met Andrew." As she was. After a fashion.

Indeed, she has never touched a penny of Andrew's £2m and doesn't intend to. At 16 she was a member of Pan's Peo-

ple, the group of girl dancers that in their heyday had pranced around on *Top of the Pops*. At 17 she was in Hot Gossip, another group of girls that did exactly the same thing. At 18 – in fishnet tights and a spangly leotard thing – she got to Number Five in the charts with "I Lost My Heart to a Starship Trooper". At 20, she auditioned for *Cats* and met Andrew. At 24 they married. At 26 she was starring as Christine in *Phantom of the Opera*, a role he'd written especially for her. Would she have gone from "Starship Trooper" to the West End without becoming Mrs Lloyd Webber in between? Yes, possibly.

Certainly, she has not done at all badly since her divorce from Andrew seven years ago. One year, she was the most successful touring act in the States after the Rolling Stones. Her latest single, "Time to Say Goodbye", topped the charts all over Europe and went platinum five times. She began a national tour last week which will be going on until October. So she has her fans, and earns very nicely in her own right.

Indeed, she has never touched a penny of Andrew's £2m and doesn't intend to.

She has tried giving it back to him but "he refuses to take it". She is now thinking of giving it away to good causes. She doesn't consider she ever properly earned it, she says, and can't think what she might spend it on. "I don't want to lie on a beach in Mauritius for a year." Annoyingly, she seems to have some integrity.

Now 37, she lives quite modestly, mostly in Germany with her German record producer boyfriend of four years. It's his flat. The only property she now owns is a small place in London. No, she doesn't miss all the sumptuous homes she had when she was married to Andrew.

"They were beautiful. He has beautiful taste, a real love for art and architecture and furniture. He's living out the life he loves. But I think if you have a lot of things they end up ruling you rather than you ruling them, even if you have people to look after them. It's not a responsibility I like." Does she have any extravagances? "Well, every now and then I buy an amazing piece of jewellery and put it in the bank." You don't wear it? "No, Are you bonkers? No. It's like somebody who loves art. There are some things you have just got to have."

She was born in Berkhamsted, Hertfordshire, the oldest of six children to Paula and Granville Brightman. Paula, who had been very keen on amateur dramatics prior to marriage and motherhood, took Sarah along to her first ballet class

at three. No, insists Sarah, her mother wasn't pushy or frustrated or living vicariously through her. She loved ballet from day one. Her first ambition was to be a dancer. "My mother's a wonderful woman, and it's not just me that thinks so. People are always coming up to me and saying they've met my mother, isn't she lovely? We are very close. She's a very spiritual person, a deep-thinker, and very giving."

At 11, she was dispatched to a stage boarding school because, dance-wise, she'd done all she could locally. She hated it. She remembers her first night.

"It was a small room with two bunks in it. I cried continually and went to the toilet every hour. I just wanted to go home. Things didn't get much better. She found it hard to make friends and was teased a lot. "Because I was so gifted – because I had a voice and was a good dancer – there was a lot of jealousy." She ran away once but her father talked her into going back. "He said it's up to you. You can go to a normal school. Or you can go to this school and follow through what you want to do." She stuck to the boarding school. So even as a schoolgirl her personal unhappiness wasn't allowed to interfere with her ambition.

She was expected to join the Royal Ballet, but failed the audition. She doesn't know why. "Everyone expected me to get in because of my Gift." She was devastated.

tated, yes, then ended up in Pan's People. Pan's People weren't much fun because it was after their *Top of the Pops* peak (they'd been replaced by Legs & Co) and it was just her and Babs and Dee-Dee going around the provinces doing rubbish dance routines. Hot Gossip was much better because "it was more interesting, and Arlene Phillips was fanatical about training". Having the hit with *Starship* was great. "I was elated. I enjoyed the success very much. Any money I received I blew on cars and clothes. I didn't realise you had to pay tax." However, her second record flopped.

"That felt dreadful. And I was out of work for quite a while. That's when I started taking things more seriously."

When she first met Andrew, he was married to someone else as, in fact, she was. But her first marriage, she says,

Her father committed suicide. 'If he thought that's the right thing, it was. I've only ever had good feelings about it'

doesn't merit talking about because it was a silly, impetuous thing. Anyway, she and Andrew both divorced and then married each other. Now, what you want to know, I suspect, is whether she married him just to give her career the Big Push it so desperately needed at that time.

No, I don't think so. I don't think she could ever be so cunning, at least not consciously. Was it love then? In a way, yes, it probably was.

I mean here was Sarah, a young thing with A Great Gift that needed recognising. And here was Andrew, one of the world's best-known, most successful composers, sitting up and taking notice, doing that recognising.

How could she be expected to resist? Why, even, would she want to resist? It must have felt heavenly. It must have felt like love. Trouble was, Sarah was rubbish as a wife.

"I can't be a wife. I'm not that sort of person. Wives have to compromise all the time. I knew I had a Gift and had to follow that Gift. I wrapped myself in cotton wool and did what I knew I had to do. I tried to do both, but couldn't make it work." Ultimately, they divorced on the grounds of his adultery with a woman called Madeleine, who became the third and latest Mrs Lloyd Webber. Madeleine did not have a Gift and liked horses and babies. Yes, Andrew wanted children with Sarah. "Andrew loves children." But Sarah didn't want any, and still doesn't. "I just don't have the yearning," she says. Plus, of course, they'd get in the way rather.

In conclusion what, I suppose, you most want to know is whether Sarah Brightman's just a two-bit dancer who Got Lucky or something rather more. To be honest, I'm not entirely sure.

Does her Gift leave her any space to have fun? "God, this is going to sound terrible, but nothing. I have my boyfriend and a couple of good friends and a little sister, who lives with me, but I don't have time for anything else. My work is my hobby. I love music. You do have to be fairly selfish when you have a Gift. You can't afford to let too many outside things get in the way."

'Oh God, not more flowers,' said my four-year-old daughter

Last week's events exposed the children to something we had managed to shield them from all their lives – the Royal Family. "Who's that?" asked my 10-year-old, prodding the Duke of Edinburgh on the front page. "And who's Edward?" they wanted to know. My four-year-old was visibly shocked at the announcement on *Newsround* that the Queen was going to fly down to London. "How can she do that?" Hastily, I explained that royal didn't come with God's given wings and that she would fly in an aeroplane, but I had missed the point entirely. "No, I mean how can she fly when she's dead?" raged my confused and media-stricken daughter.

When I was a child, the Queen exerted a certain fascination – inasmuch as we

wanted to know whether this woman who wore dressing-up box clothes went to the lavatory like ordinary people. (Of course not, was the answer.) Which all goes to show just how much the monarchy really has changed over the years; children don't have a clue who they are and we now know that the Queen definitely does go to the lavatory. Only she takes her crown off first.

Scenes of weeping children in their parents' arms at the funeral shamelessly brought out the competitive parent in me. Would my children cry for Diana, who they empathised with William and Harry – or had I bred unfeeling little monsters? Strongly suspecting the latter, we sat them in front of the television with us, my four-year-old



Dinah Hall

in my eyes only during the singing of "Guide Me, O Thou Great Redeemer" when a few tears trespassed down his cheeks. (That's public school for you...)

The children, however, remained steadfastly dry-eyed. And perhaps rightly so. One of the most tasteless aspects of broadcasting last week was the milking of children for emotion. Shortly before the funeral the BBC hauled a young boy with cerebral palsy, who had met Diana at the opening of the centre for conductive education in

Birmingham. What was she like, asked the interviewer, settling back for the usual childish tributes to beauty and goodness. "I can't remember," pronounced the boy with an embarrassed grin. Come on now, persisted the interviewer barely able to repress a scolding tone in her live panic, I'm sure you can remember something. Time and again she prodded, phrasing the question in different ways and each time drawing the same stoic response – "I can't remember."

So looking again at those scenes of children weeping, I can't help wondering if the camera stage-managed some of their grief. Maybe this is just the competitive parent in me again, unable to believe that others

have managed to instil a sensitivity into their offspring that I have not. But at the age of six or seven you cry because your parents are crying, because you have spent a sleepless night in Hyde Park, or because Mum has just refused to buy you a 99 from the ice-cream van in Kensington Gardens. Children deal with their directness, not with their emotion. As on the evening of the funeral we wandered, sentimental tourists, among the candles and flowers outside Kensington Palace ("no you can't take the toy lamb home, it's for Diana") and turned into Kensington Gore, my four-year-old, perched on her father's shoulders, rolled her eyes up to heaven and exclaimed, "Oh God, (where does she get her language?) 'oo more flowers.' I think Diana would have laughed."

Britain's new mood sets a task for Blair

Britain feels like a subtly different country this morning. "As a result of what happened, we have changed," the Prime Minister said yesterday, as he sought to define the effect of Diana's death on how we see ourselves. As he said, the people of Britain want to be part of a more compassionate nation. They responded to the pomp and ceremony, but wanted it done differently. They insisted it should reflect their feelings, rather than be imposed on them. The observances of the people's funeral - the flowers, the books of condolences, the clapping - were improvised to fit the people's mood.

What happened over the past week also crystallised changes which have already taken place. The Labour landslide in May revealed a willingness to change, an ability on the part of Britain to re-imagine itself, to embrace a different identity. If we reflect on the last time we were, as a people, so self-aware, it is abundantly clear that we are no longer the nation that Margaret Thatcher tried to imagine us to be.

Compare the public response to the royal wedding in 1981 and the Falklands war in 1982 with the election of a Labour government and the mourning of Diana in 1997. In the early Eighties, Mrs Thatcher wanted to use images of the relatively recent past

to create a sense of national identity: she used Churchill. It was a sentiment which recalled past greatness and saw greatness in the future as an extension of what went before, with the monarchy underwriting that continuity. Sailing to fight the aggression of a dictator on far-flung British soil recalled both the Second World War and earlier imperial duty.

In the late Nineties, the mood is quite different. No less self-confident, perhaps: there was nothing different about the crowd on the streets last week. The people seemed sure of what they wanted - it was the old institutions of the Royal Family and the Church that were unsure of themselves. But the mood is much less reliant on the crutches of past glories.

We have, then, a huge opportunity to define and promote a new, more forward-looking national identity. The Demos paper published today on the "rebranding" of Britain is interesting in itself, but the more so because it has caught the eye of the Prime Minister (Geoff Mulgan, the director of Demos, is now a part-time adviser in Downing Street).

It starts from the observation that Britain has a confused and somewhat jaded image abroad, its advertisement as a heritage theme park often undermined by the reality of dirty streets, poor food and surly service. It is true

that the way to change Britain's image is from within. In marketing-speak, the product has to be right. You cannot simply invent a brand image or impose a reputation on a country that does not earn it. Good marketing can only highlight and bring together elements of reality.

So, as we re-imagine our nation's future, it has to build on the past without being trapped by it. Britain is capable of being a compassionate nation: it has a long tradition of fair play and support for the underdog. And there are legacies of the Thatcher revival which remain important:



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Britain as an open, trading economy, the hub of financial markets and of communications. The principal inheritance of our imperial past is rarely commented on and yet gives us an important competitive advantage: the fact that English is the global language. Its domination of international business is so great that it is even the official language of the single European currency, even though Britain will not be a launch member. It is overwhelmingly the language of the Internet. Britain has given up an empire of territory for an empire of consciousness.

Linking the themes of compassion and openness is the image of a country that is open to ideas, tolerant of diversity and eccentricity, and above all creative. Mr Blair is right to draw attention to the economic success of British creative industries: media, music, fashion, design, advertising, film, computer software, retailing.

The Prime Minister's rhetoric of Britain as a young country is apt. And as a rhetorician, Mr Blair is supremely qualified to articulate our emerging new identity - a new identity which must include a real willingness to reshape our political institutions, not merely in the form, but also in the substance. An open, confident Britain would have no trouble with greater self-government for parts of its realm: Mr Blair sometimes manages to give the impression of wanting to keep as many powers as possible in Westminster. Even more worrying is our report today of the full extent to which the network of Conservative patronage has been replaced by a Labour network of cash for titles. And for the Labour Party to have accepted a donation from Ian Greer, the lobbyist who was the go-between in the cash for questions scandal, simply beggars belief.

Let us hope these are the fading instincts of inertia, rather than harbingers of an imperial premiership to

come. Because Mr Blair is uniquely equipped to shape our sense of ourselves, and to present a new image of us abroad. He is a shrewd judge of the public mood and a superb communicator, able to find the right words and strike the right pose, as he showed last week.

Unlike Baroness Thatcher - and despite modelling himself on her - he is better at reflecting public opinion back to the public than he is at giving a lead. And that is what we need in Downing Street now: an enabler and facilitator, someone who can articulate and project the national mood.

In a crisis, men know their place

So women still do all the housework, even if they and their men are both employed full-time? Not on Saturday, they didn't, if a quick survey in this office is to be believed. It seems most of the women were in front of the television tapping into their emotions, while the men, for once, looked after the children. Whether that makes them New Men, or simply confirms they are still of the unfeeling old variety, remains a matter of dispute.

• Why the Scots need the English

David Walliams

LETTERS TO THE EDITOR

Need for the monarchy to modernise

Sir: The events of the last week are of massive significance. The death of Princess Diana has provoked a media-driven period of mass grieving that has now developed into much more. Many people have expressed their surprise at their personal sense of loss.

This is not just because Princess Diana was a special person who gave so much to others, but because she was the one figure who, for many and especially the young, had made the Royal Family accessible and relevant in recent times. She was the people's hope of much-needed reform and modernisation of Britain's monarchy.

The staid and aloof position of the Royal Family is no longer acceptable to the people. The mood of the public has changed and sadness is being replaced by anger and resentment of the Windsor reign. Much of this feeling has been swelling up over recent years with damaging revelations about royal behaviour as well as frustration over the Palace's determination and reluctance to introduce change. The death of Princess Diana has provided a catalyst to the sudden release of these feelings and although loyalty will remain as strong as ever for Prince William and Prince Harry, confidence in the Queen and Prince Charles has greatly suffered.

What we are witnessing amounts to a revolution: a peaceful but unmistakable call from the country for the monarchy to modernise and adopt a more "human" approach to its subjects. Early indications show the Palace is willing to respond to the public's demand for a new role. The danger is that now people have seen that their pressure can produce and influence royal policy, they will not be content if the monarchy revert back to old ways after the funeral.

If the Queen cannot bring herself to recognise the extent of public feeling, then a change of monarch may be demanded. Since it now seems likely that public opinion will exclude Charles from the Crown, the only publicly acceptable candidate is Prince William. However, it will be many years before he is ready for such a responsibility. It remains to be seen whether the country has the patience to wait.

JEFFERY GREEN

Chalfont St Giles, Buckinghamshire

Sir: The Queen has pulled it off. At the end of an amazing week the country seems to have calmed down. But it has been a close thing - mature women, outside the palace, said things like "I wouldn't have come here for any of the others" (Letters, 4 September). They had the House of Windsor on the run.

True, it has suited the media, particularly the tabloids, to exaggerate the divisions between the people and the Royal Family but there was a moment last week when the royal seemed to have lost it. If a thriving monarchy is to emerge now, the people power of the last few days must be harnessed to ensure disreputable journalism does not sour Prince William.

It is he who, as the very image of his mother in this visual age, is in the unique position to ensure that her spirit lives on in his family and the country.

HOWARD WATSON

Chester



Spencer's words best left unsaid

Sir: Like the rest of the British people I have been deeply moved by events since the death of Princess Diana and found the funeral service on Saturday in Westminster Abbey particularly moving.

Earl Spencer certainly deserves respect for his tribute to Diana, but I did feel that the part of his address which has been interpreted as a thinly veiled criticism of the Royal Family would have been better left unsaid.

In her broadcast the day before the funeral, the Queen was magnanimous towards the Princess of Wales; also, she emphasised her concern for her grandsons and the need for unity in the grief arising from this tragedy.

Surely it is family unity and support which are most needed in give the two princesses the soundest possible psychological support following their devastating loss.

GALEN BARTHOLOMEW

Worcester

Sir: As former MP for King's Lynn and North West Norfolk, where the Princess of Wales grew up, may I suggest that we show our profound appreciation for her compassion, love and respect for others by rededicating our lives to her ideas and particularly by supporting the Royal Family both in their grief and in their continuing endeavours to give our country the caring, communicative and principled leadership we look for into the new century.

CHRISTOPHER BROCKLEBANK-FOWLER

Flitcham, Norfolk

Lasting tributes to Diana

Sir: Rather than looking to others to devise a memorial in honour of Princess Diana, I believe there is an appropriate tribute we could individually pay her. If each of her mourners made a simple commitment to adopt the new habit of treating each other with more of the humanity she displayed, the benefit to our community and country would soon be felt by everyone.

JEREMY GLYN

The Centre of Change

London SW6

Sir: Perhaps each town or parish should raise a simple stone memorial in a prominent place and inscribe on it the names of all the people of the area who have, like her, died in traffic accidents. Such public reminders of the endless carnage on our roads might serve a similar purpose to that of war memorials - to cause us to stop and think, to mourn and to work against a repetition, or continuation, of the dreadful carnage.

JOHN GRANEY

Brading, Isle of Wight

Sir: Can we have a postage stamp in memory of Princess Diana with a fixed percentage of the face value going to her new charitable trust? It would raise a large sum of money and probably many of the stamps would never be used.

ROGER MARTYN

London NW3

Sir: With all the ideas for a lasting memorial to Princess Diana I have yet to see a suggestion of an eternal flame dedicated to her memory.

In addition, even if it is unofficial, could we not name 1 July, Queen of Hearts Day and encourage everyone to perform random acts of kindness?

M RADCLIFFE

London N16

Sir: On 1 May the nation rediscovered its conscience. On Saturday, it found its soul. Maybe there is hope for us yet.

The Rev DAVID RHODES

Leeds

Sir: Could someone who took a camera to the funeral of the Princess of Wales please explain why?

IAN R CRAWFORD

Bingley, North Yorkshire

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ROGER MARTYN

the commentators

Why the Scots need the English

Scotland defines itself against its neighbour: this week's vote could destroy its identity, says David Walker

According to the polls, the residents of England are happy to let the Scots get on with it. The Scots' walk with destiny this coming Thursday hasn't much to do with them. Whatever the constitutional experts say, few English people are now – or are likely in future to get – exercised by the West Lothian Question or Barnett Formula anomalies giving those living in Lesmahagow a wee bit more public money per head than those in Littlehampton.

Yet the vote does concern the English. Everything to do with being Scottish is about not being English. The decision on opting for an Edinburgh parliament with all the trappings is more than just an exercise in identity politics – it is about the nature of Scottishness. You can read the whole of Scottish history, at least since the first Stuarts in the Middle Ages, as the history of difference. To be Scots has meant, crucially once England's political and economic power was established, defining yourself one way or another as not English. Being not-English has involved varieties of whingeing, the construction of an ersatz Highland identity (why do Scots keep singing about huts and bears and geese when the vast majority live in cities?) and beating the English at their own games, rarely football. Being good in Scotland is rarely good enough. Why else have the brightest and best of Scots, from David Hume to wee Jimmy Naughtie, Robert Louis Stevenson to Iain Banks, David Bawden to John Lloyd (or Gordon Brown for that matter) just had to make it in London? Subconsciously there will be many Scots this week asking whether they or their children really want Edinburgh or Glasgow to be the summit of their ambitions.

This fact of Scottish life means – at least for me – the only plausible vote on Thursday is one that expresses the logic of three centuries of Scottish history since 1707, and probably a couple of centuries before that too. That is: Yes

What else is there without having England to kick around?

to a parliament. They are fashionable, inoffensive and free (the English will pay). But if Scots are true to themselves they will vote No to the second question about giving the parliament tax-raising powers, because that choice, whatever Donald Dewar may say, means facing the prospect of losing England. And that is impossible, for what else is there without having England, culturally speaking, to kick around?

The other week the Scottish singer Kenneth McKellar caused great offence among the devolutionists by urging a No vote. McKellar, old now, was a great kilt swinger in his day, forever taking the road to the Isles. Yet what entertainers of his ilk may realise is how much Scots like to grieve ... and against nobody more than the (archetypal) English. In popular song from Harry Lauder to Del Amitri and in Scottish fiction from Lewis Grassic Gibbon to *Trainspotting* blaming and bemoaning the English is an old and much-loved ritual. When *Die Zeit* recently sent its correspondent to stroll the glens and Glasgow estates for devolutionist sentiment he puzzled at how they can be so conservative yet vote left. The answer, till recently, was that Labour's unradical collectivism cohered with the Scottish personality – with Labour you get more, but things do not have to change much, including the relationship with England. What the Scots have wanted is the fiscal and political status quo plus the chance to see a *Braveheart* or its cultural equivalent from time to time. *Braveheart*, an American film starring an Australian, gave Scots another chance to take over the embars of their resentments. But the idea that you can build a politics let alone institutions on that old sentiment is ridiculous, as more and more Scots have recently come to see.

Formally there are two questions being put to Scottish residents (how many commentators have fallen into the trap of saying Scots, forgetting that the English, Chinese, Indian and other residents of Scotland are of course enfranchised too). Actually there is another question. It's: "Do you care?" and it is going to be answered in terms of the numbers who turn out.

Officially the size of the poll does not matter but politically of course it does. A turn-out of say 40 per cent, of which a majority votes "Yes, yes", won't be a ringing endorsement of anything except the status quo. Yet Thursday's legion of non-voters will be saying something intelligible, as will many of those voting "Yes, no". It goes like this. We like an occasional moan about the English but the idea that this means a profound desire for self-government, beyond a talking shop in Edinburgh, is deeply wrong.



The end of the line for the Windsors?

by Polly Toynbee

Yesterday the Prime Minister was at Balmoral talking about what the Queen should do now. Earl Spencer's devastating attack on the Royal Family was still ringing in their ears, along with that wave of applause that swept through the crowds and, astonishingly, into Westminster Abbey itself. What now?

We cannot know yet what the fallout of this bizarre week will be. One MORI poll published over the weekend showed that 54 per cent of Britons think Prince Charles should now step aside and make way for Prince William as the next king. And only 30 per cent think we will still have a monarchy in 50 years time. The cloying, saccharine coverage of the funeral on Saturday, especially from the BBC, missed the real mood of the times. Everything difficult about Diana's life, even her divorce, was massaged away in a sea of sugar. Yet those were the very things that made her life seem so poignant to so many.

You might say that is what funerals are all about. But the broadcasters, as journalists, should not have set aside all their instincts to tell the truth, in the service of the Palace. When the BBC, for instance, spoke of Diana being laid to rest in the scenes of her happy "carefree" childhood, you began to wonder who and what the propaganda was for. It is certainly not how Diana described her early life. She was, after all, the supreme royal truth-teller. How could the commentators surmise so glibly the Queen's imagined grief – when we know the Queen, in exasperation, called her "This impossible girl"?

The whole country was not weeping. Not even all the crowds, though the cameras sought out the tears of the genuinely grief-stricken. A terrible sadness for the brutal death of an enchantingly human woman in a car with her most unsuitable playboy lover does not fittingly transform itself into this uncouth twaddle. Having been out in the crowds, I found that among many there was simply the desire to be present at an extraordinary occasion, to be part of the scene, to bring children so they could tell their grandchildren they were there. At times there was almost a party atmosphere – certainly plenty of cans of beer.

Any funeral grasps at the heart. The awful sight of any coffin containing a young beautiful body shocks and grieves us. A natural protest rises up within us against the monstrousness of death itself, along with unbearable pity for any bereft children left behind. Feelings were raw during the week, the outpourings on the streets often real enough, but what they really mean remains to be seen. Will many feel some revulsion that they have been manipulated into mass hysteria by myths, icons and symbols cynically manufactured by the press?

'The cloying, saccharine coverage of the funeral, especially from the BBC, missed the real mood of the times'

Self-regulation doesn't work. Lord Wakeham, head of the Press Complaints Commission appointed and paid by newspapers themselves, does the proprietors' job well – to protect the press from criticism by an occasional gentle knuckle-rapping. When I asked him what he thought of the British press, generally acknowledged as one of the nastiest in the world, he said he thought it was pretty good, though they sometimes "overstep the line", whatever that line may be.

Even with legislation, though, it is doubtful that the Royal Family can ever now escape this wild coverage. To be sure, the young prince will be safe from intrusive lenses for a year or two. But it doesn't need paparazzi snappers to feed the acres of impertinent speculation, the wall-to-wall rubbish and nonsense that will surround their every breath, smile and frown. When William emerges soon to adulthood there will be another crescendo. The Charles/Camilla story will not die, however discreet they are. If Charles really is seriously unpopular, he may have to abandon the throne to save the monarchy. But where would that leave the whole shamfies? What kind of a king could William be, in his father's tortured shadow? Would they really want to go on?

How the Royal Family failed to sense the feel-

ing of the nation in the days after Diana's death may not have mattered. The Queen's brilliantly crafted address to the nation, a hit too late perhaps, none the less worked its magic. But something snapped last week in the relationship between throne and subjects. For the first time in modern history the crown was openly challenged and forced to respond quickly and ignorantly to the people and to the tabloid front pages demanding they "do something". Appearing in their ludicrous kits that first morning did not help. Pushing the boys out there looked cynical. Even making a point of holding Harry's hand, however sincere, looked to some like last

thing the press and the television funeral coverage since then have done their best to repair the damage: television out of some curious atavistic instinct to become an arm of the Palace, of Britishness and tourism at such times, the tabloids rowing back fast out of alarm at the prospect of losing their best-selling story. Tony Blair, and his sure-footed advisers will be telling the Queen how to turn the royal firm into a Diana-friendly business. Cut the kits, take fewer holidays, give up hunting and shooting, appear more often, gladdening the people, attach themselves to cuddly causes, kiss more sick babies, take the kids to theme parks, ride bicycles, whatever. Make them selves loved.

Will it work? Why should Tony Blair particularly want it to? We know constitutional reform is not much to his taste. He has delayed reform of the Lords, though, when it comes, it will strike at the heart of hereditary and the monarchy itself. We do not yet know whether he really means to allow proportional representation, whether one way or another he may scupper it. Desire for fundamental constitutional change will not come spontaneously from his government. But since he is so deaf at catching the public mood, all will now depend over the next few years on what the public thinks.

My guess is that the erosion of public support which has happened over the past 10 years will surge ahead: 55 per cent in a MORI poll last year said the country would be better or no worse off without a monarchy. Diana worship is anti-royal and anti-establishment in essence, odd though that seems given the way the funeral was covered. If Charles's unpopularity grows, can he bear it? Earl Spencer may be a curious vehicle for bringing about the downfall of the Crown, but, however unfair and vengeful, his words transmitted across the globe will not be forgotten. A fatal combination of loss of nerve within the Royal Family, and growing unpopularity among the people, may yet mean that this Queen will be our last.

Diana's devotees join the new religion

There have been flowers, messages and tears to mark Diana's death. But beyond Westminster Abbey and other churches, few Christian symbols have been on display. For every cross, you will find many more cards with hearts drawn in them. This is Diana's icon; representing a devotion to feeling, compassion and emotion. But little mention of God.

Diana's funeral showed post-Christian Britain out in force. Just as there was a gulf between the people and those in the Palace, the beliefs of many listening to the funeral from outside bore little resemblance to the faith of those within the church walls.

People have a new religion. Most did not gather outside the Abbey and Kensington Palace to find God. They came together for a more internal exercise, to explore their all-

important inner selves and feelings, an event prompted by the death of a woman who excelled in expressing her own emotions.

This religion is the creed of the confessional society and has been developed by a priesthood of analysts, therapists, counsellors, agony aunts and psychobabblers. Like most religions, its practitioners are predominantly women. Its first commandment is to get in touch with your inner self.

Diana followed that commandment and, though she flirted with formal, established religion, she never really, as the Archbishop of Canterbury has indicated, had much time for it.

Some see the new religion as

Britain taking on a more Mediterranean, perhaps Catholic temperament, less hung up about feelings. To me, it remains characteristically British, still calm and reserved. At

least it is not explicitly individualistic nature, easily pilloried as narcissism, means it has no churches, no great institutions. And so apparently no power. Saturday changed that. Diana's death brought a massive New Protestant congregation together and demonstrated that even a religion which is so personal and fragmented can have a collective voice. It is also evangel-

What a time for a funny writer to die

About 20 years ago I was on a plane going from London to Zurich and found myself sitting next to Geoffrey Dickinson, the cartoonist and assistant art editor of *Punch*. This was no coincidence; we were travelling together. Before take-off, Geoffrey nudged me violently and pointed to a tall, grey-haired man disappearing into the section with bigger seats and freer drinks.

"Did you see who that was?" he hissed.

"No," I said. "never seen him before in my life."

"It was Charlie Chaplin."

And so it was. Charlie Chaplin going home to Switzerland. It was a strange thought to be so close to one of the most famous men in the world, a man whose silent image is still to this day better known than that of most people alive and well.

"You know what this means?" said Geoff. "Having Charlie Chaplin on board. It means that if this plane crashes and the newspaper headlines say 'Famous Funny Man Dead', it won't be me or you they're talking about."

I thought of this

melancholy but funny remark when I heard of the death of Jeffrey Bernard. What a bad time to choose to die, when so many more famous people were taking the headlines.

Princess Diana, Mother Teresa, Sir Georg Solti – all titled, oddly enough – and then a long way down the fame stakes, jostling for media coverage, poor old Jeffrey Bernard, whose passing may well have gone unnoticed by many people.

Many people, of course, won't even know who he is, will not have read his weekly "Low Life" column in *The Spectator* (to counter-balance the "High Life" column of Taki), and thus will not have met one of the most graceful and funny writers of the back-end of the century. As he got older and more immobile his writing became grouchier, as some humorous writers tend to do, but at least he was grumbling about the here and now and not looking back resentfully to a golden youth, and he grumbled with great style.

In earlier days, though, when he was just a young sook, he was not an old grump, I have been going through old volumes of *Punch* searching for material for an anthology, and I have come across a piece I wrote on cat-racing which I think is one of the funniest pieces ever written. (Cat racing? Well, Jeffrey

I believe he kept the letter framed in his lavatory – certainly it was read out by one of the actors in every performance of the play, and I calculated that if I had got 2p royalty every time it was used, I might now be the proud owner of a lot of 2p pieces.

How *The Spectator* will replace Jeff's "Low Life" I do not know. Michael Bywater is the only person I can think of who comes near him in terms of elegantly turned misanthropy. It would be even better, though, if it could be replaced by a cordially grumbling column written by Jeffrey Bernard from the other side, criticising the service in heaven, the terrible people there and the dead souls he keeps bumping into to whom he still owes money.

The column, I think, would have to be called "After Life".

THE INDEPENDENT

True or False?

"You only go to a hospice to die"

For the answer to this and other questions read The Independent's special report on Pain tomorrow

In association with

Marie Curie Cancer Care

Jack O'Sullivan

Stock Exchange is tempting fate on the anniversary of the Big Bang

Next month, as memories of the 1987 crash haunt the stock market, there will be a dramatic upturn in the way blue-chip shares are traded.

On the anniversary of the market's worst meltdown, which wiped billions of pounds from shares and prompted many to worry whether capitalism had been dealt a mortal blow, the Stock Exchange is tempting fate by introducing order-driven trading, as opposed to quote-driven, for the 100 blue chips making up Footsie.

The constituents of the supporting FTSE 250 index will quickly be dragged into the new style of trading, which represents a victory for the big American investment houses over what is left of the City old guard.

It is predicted that chaos will greet the arrival of the new order. To get dealers up and running weekend instruction sessions are being held. The first took place yesterday.

But such a revolutionary switch is, by its very nature, a difficult process. Major market changes rarely go through smoothly. It seems impossible to find a trader who is not apprehensive about the first few weeks of order-driven trading. There are complaints that once a trade is completed into the system there is absolutely no opportunity to take remedial action. And cock-ups could prove hideously expensive.

Vast sums of money have been expended gearing up for the change which is seen in many quarters as the biggest upheaval since Big Bang 11 years ago, when eyeball-to-eyeball trading ended with the closure of the traditional Stock Exchange floor.

Big Bang destroyed the old stock market. Following the subsequent crash there were massive rounds of redundancies. There are fears that even if equities continue their long bull run, order-driven trading

will lead to more job losses and kill much of the personal contact trading which has survived despite the advent of screen dealing.

It could end the power of the big market-makers, many of whom might soon be surplus to requirements.

Under the present quote-driven system they make a market in shares, enjoying a profitable gap between buying and selling prices. The order-driven system leaves them in limbo. Potential share trades are computerised, displayed on an order book. They sit there until they can be fully or partly matched.

The cost of dealing under the new system has yet to be decided. The Stock Exchange is considering charges and hopes to provide details of the cost structure this week.

The quote-driven system changes have led some traders to conclude that Stock Exchange costs will be higher than Tradepoint Financial, the stock market in miniature which has been striving to become a dealing force. Tradepoint, which already offers an order-driven system, should benefit from Stock Exchange's conversion.

Whether it will retain the perceived price advantage will not be known until the cost of Stock Exchange deals is set.

Still, talk that it could have a dealing advantage has been good for Tradepoint shares. They are traded on AIM, the junior market which is unlikely to be coerced into order-driven trading because of its lack of liquidity. Only last month Tradepoint shares were bumping along at 65p low with the company's future in question.

Then came a £11.4m rescue package with a group of venture capitalists bankrolling the company, which lost £6m in the year to end March. Its shares ended last week at 116p; last year they touched 180.5p.

Compared with the Stock Exchange, Tradepoint is a veritable toddler. In July it handled £30.8m of trade while the Stock Exchange accounted for £221m.

Order-driven trading must hasten the arrival of tiered stock markets to accommodate institutions and smaller investors and, indeed, smaller companies.

The requirements of the top 350 companies and those on the undercard are vastly different. And, of course, the needs of institutional investors and private players are poles apart.

Brian Winterflood of small company jobber Winterflood Securities has suggested segmentation of listed shares. He favours three categories - a big board 350, then what could be called a National Market made up of the 1,750 smaller com-

panies with full listings, and then AIM. It could be argued that in investment terms a two-tiered market is already evolving with the gap between the way big and small investors are treated yawning wider by the week.

There is a plethora of profit announcements this week. Norwest Union, the insurer expected to be voted into Footsie this month, makes its maiden announcement on Wednesday with interim operating profits of £31m expected.

Centrica, once part of British Gas, is another offering first-time results. The gas distributor is likely to offer an interim net income figure of £40m.

British Aerospace and BTR also appear on Thursday with the aircraft maker expected to enjoy a £100m interim lift-off to £295m and BTR, still in the restructuring throes, likely to manage a much more pedestrian £545m against £605m.

Share spotlight

Tradepoint, which already offers an order-driven system, should benefit from Stock Exchange's conversion.

STOCK MARKET WEEK

DEREK PAIN

Stock market reporter of the year

Other heavyweights with interim figures include Blue Circle Industries (£144m against £16.3m expected); Caradon (£76m against £81.3m); and Williams (£123.5m against £14.1m). Then there is United News & Media (£153m versus £151.9m), Legal & General (£168m, up from £143.4m) and Rio Tinto (£355m, down from £361m).

Enterprise Oil, with net income probably down from £73.8m to £63.8m, is also on the reporting schedule; so is one of the market's oldest takeover favourites, United Biscuits.

In days gone by United has enjoyed frequent takeover speculation. But a bidder has failed to surface and United's shares have been dunned down to as low as 196p. They are now 208p against a peak of 434p three years ago. Interim results on Thursday are unlikely to offer any encouragement - the market is looking for £32m against £44.9m last time.

Market Value	Stock	Weekly Price	Chg	Ytd	P/E Ratio
Alcoholic Beverages					
1001	ABF	100.00	-0.00	-0.00	10.00
1002	Adnams	101.00	-0.00	-0.00	10.00
1003	Angus	101.00	-0.00	-0.00	10.00
1004	Angus (L)	101.00	-0.00	-0.00	10.00
1005	Angus (R)	101.00	-0.00	-0.00	10.00
1006	Angus (S)	101.00	-0.00	-0.00	10.00
1007	Angus (T)	101.00	-0.00	-0.00	10.00
1008	Angus (U)	101.00	-0.00	-0.00	10.00
1009	Angus (V)	101.00	-0.00	-0.00	10.00
1010	Angus (W)	101.00	-0.00	-0.00	10.00
1011	Angus (X)	101.00	-0.00	-0.00	10.00
1012	Angus (Y)	101.00	-0.00	-0.00	10.00
1013	Angus (Z)	101.00	-0.00	-0.00	10.00
1014	Angus (AA)	101.00	-0.00	-0.00	10.00
1015	Angus (BB)	101.00	-0.00	-0.00	10.00
1016	Angus (CC)	101.00	-0.00	-0.00	10.00
1017	Angus (DD)	101.00	-0.00	-0.00	10.00
1018	Angus (EE)	101.00	-0.00	-0.00	10.00
1019	Angus (FF)	101.00	-0.00	-0.00	10.00
1020	Angus (GG)	101.00	-0.00	-0.00	10.00
1021	Angus (HH)	101.00	-0.00	-0.00	10.00
1022	Angus (II)	101.00	-0.00	-0.00	10.00
1023	Angus (JJ)	101.00	-0.00	-0.00	10.00
1024	Angus (KK)	101.00	-0.00	-0.00	10.00
1025	Angus (LL)	101.00	-0.00	-0.00	10.00
1026	Angus (MM)	101.00	-0.00	-0.00	10.00
1027	Angus (NN)	101.00	-0.00	-0.00	10.00
1028	Angus (OO)	101.00	-0.00	-0.00	10.00
1029	Angus (PP)	101.00	-0.00	-0.00	10.00
1030	Angus (QQ)	101.00	-0.00	-0.00	10.00
1031	Angus (RR)	101.00	-0.00	-0.00	10.00
1032	Angus (SS)	101.00	-0.00	-0.00	10.00
1033	Angus (TT)	101.00	-0.00	-0.00	10.00
1034	Angus (UU)	101.00	-0.00	-0.00	10.00
1035	Angus (VV)	101.00	-0.00	-0.00	10.00
1036	Angus (WW)	101.00	-0.00	-0.00	10.00
1037	Angus (XX)	101.00	-0.00	-0.00	10.00
1038	Angus (YY)	101.00	-0.00	-0.00	10.00
1039	Angus (ZZ)	101.00	-0.00	-0.00	10.00
1040	Angus (AA)	101.00	-0.00	-0.00	10.00
1041	Angus (BB)	101.00	-0.00	-0.00	10.00
1042	Angus (CC)	101.00	-0.00	-0.00	10.00
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1052	Angus (MM)	101.00	-0.00	-0.00	10.00
1053	Angus (NN)	101.00	-0.00	-0.00	10.00
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1075	Angus (JJ)	101.00	-0.00	-0.00	10.00
1076	Angus (KK)	101.00	-0.00	-0.00	10.00
1077	Angus (LL)	101.00	-0.00	-0.00	10.00
1078	Angus (MM)	101.00	-0.00	-0.00	10.00
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1081	Angus (PP)	101.00	-0.00	-0.00	10.00
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business & city

**FINANCIAL JOURNAL
OF THE YEAR**

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

New round of price cuts at BT □ Mobile operator targets business market □ Telephones to do away with cashpoints

British Telecom to reduce cost of calls to mobiles

Chris Godsmark
Business Correspondent

British Telecom is to slash the cost of some phone calls on its network by more than 10 per cent from tomorrow.

It will separately announce a 12 per cent cut in the cost of calling customers on the Cellnet and Vodafone mobile networks. This move follows a reduction in the wholesale charges the two operators levy on BT to pass on calls to mobile users.

This will be seen as an attempt by the mobile operators to head off further criticism from the telephone industry watchdog.

Cellnet has strongly urged Cellnet and Vodafone to bring their charges closer into line with those imposed by rivals Orange and One 2 One, and is due to give its ruling at the end of this month.

To the first BT price reductions since a new four-year price cap imposed by regulator Oftel came into force last month, the price of long-distance national calls made during weekday evenings and nights is to fall by just over a tenth from 1 October. The cost of calls will drop by 0.5p a minute to 4.2p per minute.

This means a five-minute trunk call made between 6pm

and 8am will cost 21p instead of 23.2p.

Including these latest price cuts, optional evening and night-time calls will have fallen by 28 per cent this year. Last October they fell from 5.9p a minute to 4.7p.

The latest reductions will knock £21m off BT's revenues this year, though only £1.2m of this decline is due to the new set of price controls. The price regime, which began on 1 August, keeps bills 4.5 per cent below inflation until 2001.

The new price package set by Oftel will benefit BT's residential customer base. Though the previous price regime appeared tougher, setting call charges at inflation less 7.5 per cent and knocking £417m off BT's revenues last year, it was targeted mainly at higher-spending homes and business customers.

The new round of price cuts is likely to be warmly welcomed by Oftel as a sign that intense competition will also force BT to reduce phone charges which are not now subject to price controls.

Oftel has said it expects competition to take the place of price regulation after 2001.

However, the cuts in the cost of calling the Cellnet and Vodafone networks look sure to

intensify BT's row with Oftel over the high cost of calling mobile phones from the fixed operators.

The two mobile networks are understood to have reduced the wholesale price they levy on BT to pass on the calls to their customers from 22.8p a minute in the daytime to 19p. BT will say tomorrow that it will pass on that reduction, which will cut the retail price charged to its customers by 12 per cent, from 36.5p a minute to 32p.

The reductions by Cellnet and Vodafone, which will significantly reduce their revenues, are much smaller than the cuts suggested by Oftel in a strongly worded consultation document in March.

Oftel said the appropriate wholesale charge to BT should be 10p-11p for Vodafone and 13p-18p for Cellnet.

Orange and One 2 One, which use different digital technology, last year raised their wholesale charges to 15p and 13p respectively.

Oftel is considering responses from Vodafone and Cellnet to its proposals.

The final ruling on the cost of calling mobiles is due at the end of this month, with a decision yet to be taken by Don Cruickshank, the regulator.



The cost of calling mobile phones from fixed operators has been criticised by the telephone industry watchdog

Orange to double advertising budget to stay ahead of competitors

Chris Godsmark

Orange, the newest of the UK's mobile phone networks, is planning to double its advertising spending. Its first fully fledged assault on the business market starts today.

Orange is likely to raise its press, poster and broadcast

advertising budget next year from £25m to £50m in a long-term bid to keep its place as the fastest growing of the four mobile operators. It signed up its millionth mobile customer in July.

The new campaigns, which will represent a significant departure for the Orange brand,

will intensify the tough competition between the networks. Of the other three, Vodafone is spending £35m bringing its various retail chains under its single main brand, while One 2 One has spent heavily on television advertising this year.

The first phase of the Orange promotion starts today with a

£1m press campaign aimed at attracting business customers. The press adverts feature fake management "guru" books to highlight specific services.

Since its launch Orange has been more successful targeting personal customers and some small business users. Though it sells services to 45 of the top 100

UK companies it plans to invest more in targeting large businesses.

Robert Fallow, Orange's recently appointed marketing director, said today's business

campaign would be "the tip of the iceberg", with a further push from October to December. He said the new adverts, de-

signed by the WCRS agency, would concentrate on specific segments of the market. "You will see a much more targeted approach to the market."

Mobile networks have traditionally concentrated their TV advertising at Christmas, which spectacularly backfired for Cellnet and Vodafone in 1995. They

attracted many low-spending customers with discounts, who later left the networks at considerably cost to the operators.

Orange recently pledged to double its investment budget to £800m by early 1999. The investment includes building hundreds more signal base stations to improve reception quality.

Merger boom boosts top solicitors' pay packets

Roger Trapp

Some top City solicitors are earning £600,000 to £700,000 a year as a result of the continuing boom in mergers and acquisitions and other corporate activity, according to figures released today.

While the *Legal Business* 100 shows the surge in earnings that boosted revenues at Britain's 100 biggest law firms by more than 14 per cent, to £3.75bn, is spread across the country, the City of London's leading firms dominate.

The turnover of just five firms - Clifford Chance, Linklaters & Paines, Freshfields, Allen & Overy and Slaughter and May - together topped £1bn, or nearly a third of the total fees earnings recorded in the listing. Pointing out that between May 1996 and April 1997, UK law firms worked on 4,491 transactions, worth £3.251bn, the editors of *Legal Business* write that "M&A lawyers undoubtedly set the pace, although litigation, property and insurance lawyers were not far behind".

Senior partners at the leading firms attributed the performance to the strong economy and huge demand for their services. "Everyone's been working an incredible number of hours," said one.

However, despite the general improvement in billings, the

league table shows a mixed picture. Some larger firms are investing so much in information technology and overseas offices that partners may take home no more money than those in the middle market.

Indeed, the apparent success of middle-market firms, such as Nabarro Nathanson, Watson Farley & Williams and Rowe & Maw, which all achieved revenue increases of more than 10 per cent, is one of the surprises of the listing, since it had been widely predicted that practices like these were vulnerable to the arrival in London of powerful regional firms, US organisations and the increasing presence of big accountancy firms, particularly Big Four.

For the other hand, Clifford Chance, the City's biggest firm with revenues of £310m, found itself exposed to a common problem: the strong pound.

Legal Business emphasises that its figures, based on well-informed estimates, are not necessarily the same as take-home pay.

described as home of "the richest lawyers in the City by far" - concentrating on being a pre-eminent UK corporate adviser seems to be paying off. It achieved by far the highest average profit per partner, £56,000, though it is said that some of its senior people earn as much as £700,000.

Allen & Overy saw turnover rise 21 per cent, to £167m, while profits per partner were second only to Slaughter and May's, at £54,000.

On the other hand, Clifford Chance, the City's biggest firm with revenues of £310m, found itself exposed to a common problem: the strong pound.

Legal Business emphasises that its figures, based on well-informed estimates, are not necessarily the same as take-home pay.

Surge in number of gas disconnections

Chris Godsmark

Up to 20,000 households a year could have their gas supplies disconnected, the Gas Consumers Council (GCC) warned yesterday, after a surge in the number of customers cut off in recent months.

Figures released today by the GCC show disconnections are running at a rate of 5,000 a quarter, an increase of 25 per cent on the 3,750 homes cut off in each quarter in 1995.

One possible explanation for the rocketing number of disconnections is that British Gas is catching up on its bad debt customers following a moratorium on disconnections last year.

Embarrassing difficulties with the new tariff Gas Billing computer system meant that some homes which had paid bills on time were wrongly disconnected.

However, the GCC said that more and more low-income

households were at the same time being moved on to pre-payment meters, a policy which should have tended to reduce the number of disconnections.

Pre-payment meters, which mostly use a smart card to charge up gas units, are used by suppliers as an alternative to disconnection. The GCC also highlighted figures from the Consumers' Association, last week, which showed pre-payment customers had to pay

up to 37 per cent more for gas to the competitive market than homes paying their bills by direct debit.

Sue Slipman, GCC director, said it was too early to say whether the higher disconnection figures reflected a tough new policy by British Gas, which could be followed by the emerging rival independent suppliers.

"We are worried that vulnerable consumers facing debt problems could be worse off in

a competitive market unless the good practice established by the old British Gas can be realised as a standard in the new market and implemented by all suppliers," Ms Slipman warned.

The disconnection statistics have become the responsibility of the GCC recently, a move which reflects the start of the domestic gas competition trials. By next spring all 20 million homes will be able to choose their gas supplier.

IN BRIEF

'Lloyd's List' publisher to buy MRC

LLP, the publishers of *Lloyd's List*, which is planning a £150m stock market flotation next year, is to buy MRC Business Information, which provides financial analysis and reports for the marine, energy and commodities market. MRC, which last year made sales of £4m, is believed to have a price tag of between £5m and £10m. LLP owns 300 titles, but makes a fifth of its income from *Lloyd's List*.

Body Shop Hong Kong postpones float

Body Shop Hong Kong, the local franchise of Britain's Body Shop, the skincare group, is to postpone indefinitely its flotation on the Hong Kong Stock Exchange and its planned expansion into mainland China. Margaret Tancock, chairman of Body Shop Hong Kong, said the delay was due to a retail slump in the territory. The listing was expected to take place at the end of this year. However, Body Shop, which has 16 outlets in Hong Kong and Macau, will go ahead with plans to open six more shops in the next few months.

Cantab starts work on Cambridge facility

Cantab Pharmaceuticals, the UK biotechnology company, will begin construction today on a £10m custom-built research and development facility on the Cambridge Science Park. The facility will be the fifth largest in the park, almost doubling Cantab's presence from 33,000 sq ft to 62,000 sq ft. Trinity College, which is leasing the building to Cantab over 25 years, will contribute £1.5m towards the cost of equipment and benches.

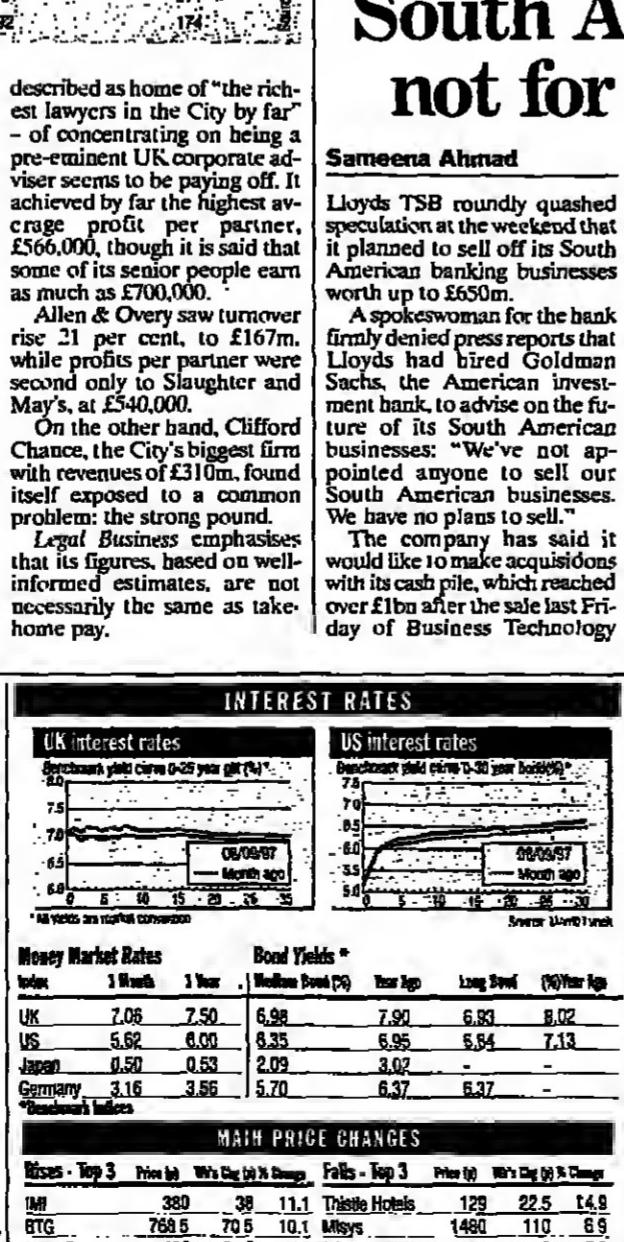
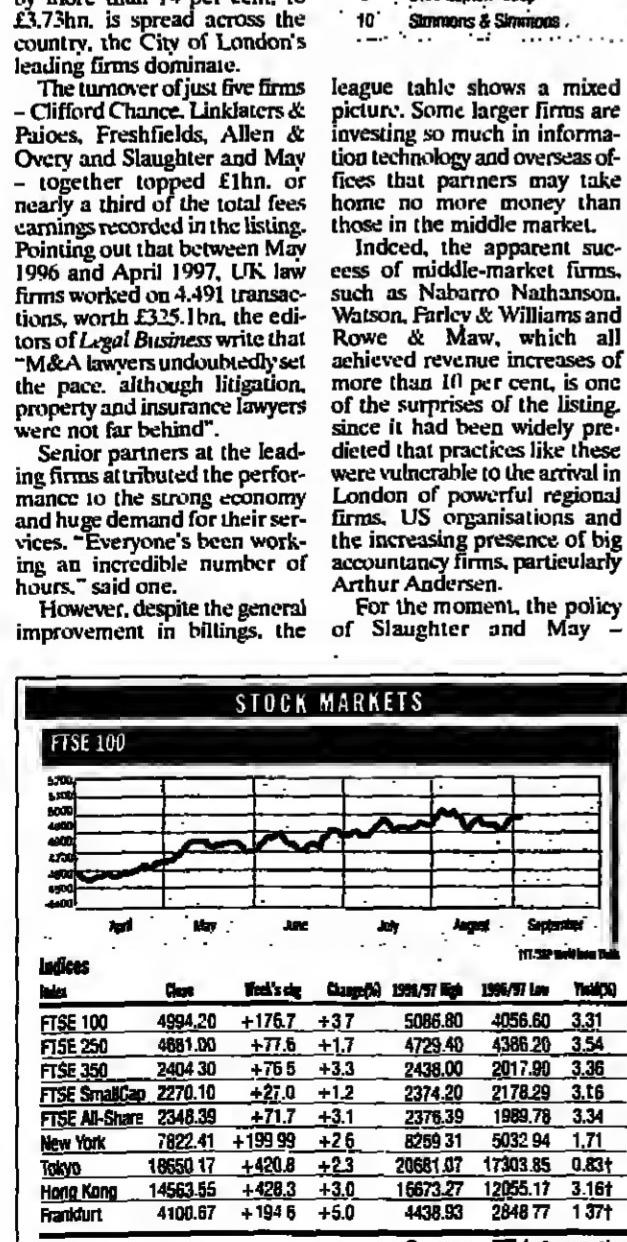
Holmes Place gets in shape for market

Holmes Place, the London luxury fitness centre, is coming to the stock market via a placing this year valued at around £70m. The company, which is expected to raise around £15m of new money, runs a club at the Barbican Centre used by celebrities including Anthea Turner. Holmes Place made pre-tax profits of £2.7m on sales of £12.2m in the six months to 30 June.

ScottishPower to be listed in New York

ScottishPower will today become the first Scottish company to gain a listing on the New York stock market, in a drive by the multi-unit to increase its American shareholder base. Ian Robinson, ScottishPower chief executive, will walk on to the Wall Street Stock Exchange this afternoon, preceded by a traditional piper, and ring the bell at the start of trading. Around 5 per cent of the group's shares are currently held by US institutions, but it aims to significantly raise the figures. US utility companies trade on different ratings from their UK counterparts, paying lower dividends and carrying higher debt levels. Southern Electric, the only remaining independent regional electricity company, is also considering gaining a listing in New York.

Gross fees 1997			
No	Firm	Gross fees (£m)	Profits per partner (£m)
1	Clifford Chance	310	347
2	Linklaters & Paines	213	418
3	Freshfields	182	445
4	Allen & Overy	167	540
5	Slaughter and May	140	568
6	Lovell White Durrant	130	284
7	Eversheds	125	176
8	Herbert Smith	104	350
9	Dibb Lupton Aspin	101	271
10	Simmons & Simmons	92	174



Why did the IMF step in to rescue Thailand?

GAVYN DAVIES

What about the impact on developed economies? Could this be so severe that it is in our own self-interest to bail out the worst impacted Asian economies? With the possible exception of Japan, the answer seems to be no.

Last weekend, the Federal Reserve Bank of Kansas hosted its annual conference for central bankers, academics and private sector economists at Jackson Hole, Wyoming. This conference, held in a stunning if somewhat incongruous setting, has become one of the key events on the central banking calendar each year, not least because it always results in a collection of excellent practical papers by academics and official economists.

This year, the focus was on financial crises and how to handle them, with particular attention on the developing crisis in South East Asia. This column will address three linked questions that arise from this crisis. First, could it have been predicted? Second, what effect will it have on the rest of the world? And third, was the IMF right to lead a bail-out operation for Thailand?

The question of whether the crisis could have been predicted is of obvious importance to international investors, but it is also critical for policy-makers. From the point of view of the IMF, a predictable crisis is one that could potentially have been avoided by taking appropriate policy action at an early stage. So there are obvious lessons for the future, involving the possibility of more pro-active intervention by the IMF to achieve timely policy changes. And, if the crisis was predictable, there seems less case for mounting a bail-out operation in order to save the skins of private sector investors who continued to make imprudent investments despite clear warning signals.

Morris Goldstein of the Institute for

International Economics in Washington presented an excellent paper at Jackson Hole which claimed, in effect, that the Thailand crisis could have been predicted, using a set of economic indicators which had been developed from a systematic analysis of previous currency crises. The key indicators, according to Dr Goldstein, are: real GDP growth, the change in exports, the rise in the real effective exchange rate, the decline in equity prices, the rise in real interest rates, and the ratio of domestic money to international reserves. Each of these indicators was flashing at least a year before the Thai crisis exploded this summer. So why did both the market, and the IMF, fail to take corrective action early enough?

One cynical interpretation, expressed at Jackson Hole, is that accurate analysis was held back from the market because the main purveyors of such information – the global investment banks – deliberately chose to place an optimistic spin on the evidence in order to win financing business from the

countries concerned. From my vantage point as the chief economist of just such an organisation, this accusation does not ring true. Not only did the Asian economists of Goldman Sachs predict the onset of the crisis several months in advance, but they made this clear to clients the world over in written reports early in 1997.

Admittedly, this was a controversial conclusion at the time, but if by then it had been a consensus view, the crisis would already have happened. By the laws of chance, there will always be some commentators who can claim, in retrospect, that they were ahead of the pack. With this episode shows, though, is that Dr Goldstein is right to argue that there were plenty of publicly available warning signals well in advance of the crash. Certainly, more timely information on the true state of the central bank's reserves, and on the health of the banking sector, would have been highly valuable to investors – and the IMF is right to press for better information in future – but whether this would have prevented the crisis is a moot point.

A more likely explanation for the general failure to see the crisis coming is that markets, since time immemorial, have chosen to take advantage of the "easy" money available in fixed exchange rate systems until the very point at which they collapse. Thailand was no exception to this rule, since many investors, choosing to believe in the Thai government's obvious determination to maintain the currency peg, increased

their exposure to the baht as interest rates rose in the early days of the crisis. At times such as these, markets often appear to lose their ability to accurately assess risk against return. But this particular variant of a private sector financial "bubble", painful though it may be for the participants, does not seem sufficient to justify costly intervention by the IMF.

What about the impact on the developed economies? Could this be so severe that it is in our own self-interest to bail out the worst-impacted Asian economies? With the possible exception of Japan, the answer seems to be no. The table shows the impact on the developed economies of a huge economic shock in Asia – a shock which forces the ASEAN countries (Thailand, Indonesia, the Philippines and Malaysia) to improve their trade deficits by 4 per cent of GDP in one year, and forces the rest of Asia to do the same by 2 per cent of GDP. This is about the most extreme shock which could be imagined, and is several times larger than anything which has happened so far. Yet even in these unlikely circumstances, the depressing impact on the US and the European Union would only be about a quarter per cent of GDP, not normally enough to raise a flicker of interest among economic forecasters. Only in Japan, where the GDP impact could be two or three times as large, and where there are also important banking sector exposures, is there a self-interested case for the bail-out.

Yet Japan in effect refused to lead the rescue operation for Thailand, and threatened not to help at all except under the auspices

of the IMF. This was understandable from a Japanese political point of view, and the IMF stepped in, much more speedily than it had done in several earlier crises. The question is – why?

The IMF's explanation is that there is plenty of evidence of contagion from one currency crisis to similar crises in other countries which would otherwise have not suffered any problems at all. This contagion effect justifies collective action, since all countries have an interest in protecting themselves from the danger of such fall-out. But it is rather hard to claim that the major developed economies, which have contributed the lion's share of the financial assistance to Thailand, would be the main losers from such contagion, so this explanation is not water-tight.

We are left, therefore, with the final explanation, which is that the world community has a moral duty to prevent the 60 million people of Thailand from suffering as a result of the policy mistakes of their government. This, too, was suggested at Jackson Hole. Yet this justification places the IMF action squarely in the realm of a global package of humanitarian aid. And, as the ever-sparky Jeffrey Sachs of Harvard insisted, there is absolutely no case for offering such a huge package of instant support for the relatively rich Thais, when the IMF has done so little for so long to help the truly impoverished countries of sub-Saharan Africa.

IMF and central bank officials left Jackson Hole still certain that they were right to help Thailand. Exactly why was not so clear.

Vulnerability to an Asian Shock		
	GDP Impact in 1998	Total GDP Impact
Asian Effect	Other Asian Effect	
US	-0.08	-0.16
EU	-0.09	-0.26
Japan	-0.26	-0.54
Others	-0.01	-0.02

Performance-related pay fails to sideline unions

Barrie Clement

Despite the hopes of some "union-busting" human resources gurus, performance-related pay has failed to marginalise unions in British industry.

In a study of 128 organisations to be published next week, Industrial Relations Services found unions and collective bargaining were continuing to play a key role in businesses which had abandoned across-the-board wage increases as a means of rewarding their employees.

The research group found unions were "derecognised" in only four of the 244 employee groups covered. The findings undermine claims made by the Institute of Personnel Development, which has questioned the need for collective bargaining where profit-related pay has been introduced.

Union leaders were taking comfort from the study yesterday as they gathered in Brighton for this week's annual TUC Congress.

Nearly two-thirds of the organisations covered – in public and private sectors – said the use of individualised or team-based pay had changed but not reduced the role of unions.

A further 23 per cent of employers said the role of unions had only been partially reduced, while just 14 per cent considered the union role had been significantly reduced.

In the great majority of cases unions still influenced such matters as the top and bottom of salary scales, minimum annual increases, the level of the overall pay budget and the market-related element of pay rewards.

In many cases union negotiators were also involved in the

"nitty gritty" of pay reviews, helping to determine such factors as the distribution of pay awards to different categories of employee.

Separately, it emerged that Barclays Bank is facing a fresh threat of strikes in a long-running dispute over pay after unions decided to hold new ballots. Members of the Banking Insurance and Finance Union and Unifil will vote on whether to walk out to protest at a new performance-related pay system which the unions claim will freeze the pay of 25,000 workers. A result is expected by the end of the month.

TRS employment trends 640, from Industrial Relations Services, 1820 Highbury Place, London, N5 1OP. Managing Best Practice 37, by the Industrial Society, Robert Hyde House, 43 Bryanston Square, London W1H 7LN.

aggregators carrying out appraisals: "No wonder people call it the 'annual appraisal interview'."

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Sir Alistair tipped to be Bank of Scotland governor

Diane Coyle
Economics Editor

Yet, like the current governor, Sir Alistair is a staunch and high-profile opponent of a new Scottish parliament having tax-raising powers. The 60-year-old, who also recently stood down as



Sir Alistair Grant: Against the devolution White Paper

head of the Safeway supermarket group, was criticised last month by Scottish Secretary Donald Dewar for warning that S&N could switch investment to England if business rates were increased in Scotland.

His stand echoes widespread concern in the Scottish business community, however.

Today sees the launch of a campaign by the British Retail Consortium lobbying against the devolution White Paper's proposal for business rates in Scotland to vary from the rest of the UK.

The BRC has written to Mr Dewar, warning him that fears of a higher business rate in Scotland would discourage future job creation and investment by retailers.

Sir Alistair, who has sponsored the world premiere in Edinburgh of a new Sir Peter Maxwell Davies composition on the Jacobite uprising, has been a staunch Conservative supporter. Before the election he said he would strongly back the Tories in Scotland, saying: "Some Tories need a kick up the bottom for their divisiveness and disloyalty."

However, this summer Scottish & Newcastle broke with the habit of 20 years by cancelling its £50,000-a-year donation to the Conservative Party.

"The board agreed it was inappropriate to make any donation to any political party," Sir Alistair said.

The Bank of Scotland's new governor is due to be named on or before the announcement of its interim results on 1 October. Sir Alistair has served as a non-executive director on the Bank of Scotland board for five years.

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